



**MONEY AND
MENTAL HEALTH**
POLICY INSTITUTE

**MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
Charity Registration number: 1166493**

DRAFT

**MONEY AND MENTAL HEALTH POLICY INSTITUTE
CONTENTS OF THE FINANCIAL STATEMENTS**

	Page number
Entity Information	1
Chair's Annual Report	2
Report of the Trustees	3
Report of the Independent Auditors	13
Statement of Financial Activities	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Cash Flow Statement	18
Notes to the Financial Statements	19
Detailed Statement of Financial Activities	27

DRAFT

**MONEY AND MENTAL HEALTH POLICY INSTITUTE
ENTITY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2021**

Chair of the Trustees	M Lewis
Vice-Chair of the Trustees	R Lloyd (resigned 31 March 2022) J Hill (appointed 31 March 2022)
Treasurer	C Pearson (appointed 15 March 2021) M Gwynant (resigned 15 March 2021)
Trustees	C Francis J Kay (resigned 15 March 2021) P Nash C Pond G Roy (appointed 15 March 2021) S Ryatt Z Clements (appointed 31 March 2022)
Address	22 Kingsway London WC2B 6LE
Charity Number	1166493
Auditors	Watts Gregory Elfed House Oak Tree Court Cardiff Gate Business Park Cardiff CF23 8RS
Bankers	Unity Trust Bank Limited Four Brindley Place Birmingham B1 2JB United Trust Bank Limited 1 Ropemaker Street London EC2Y 9AW Virgin Money Plc Jubilee House Gosforth Newcastle upon Tyne NE3 4PL

It's been another awful year. 2021 brought more Covid, more lockdowns and the start of the cost of living crisis – which is fast becoming the worst hit on people's personal finances since I began as the Money Saving Expert in 2000.

All that leads to widespread societal uncertainty and stress with a toll taken on people's mental health, income and employment. For those who were already experiencing mental health problems, a 'cost of living crisis' is nothing new and they were more at risk of financial hardship during the pandemic than the wider population,

That's why the Money and Mental Health Policy Institute's vision of breaking the link between financial difficulty and mental health problems has never been more vital.

Despite the past year's upheavals, and in some ways because of them, I am incredibly proud of the impact that the charity continues to have in reducing the harm caused by the pandemic, and securing changes from government, regulators, and firms that make a difference to people's lives. These include...

- The new Breathing Space debt relief scheme coming into place in May 2021. Thanks to our campaigning, people receiving NHS mental health crisis services will not be chased or charged fees and interest on their debts for as long as they are receiving that treatment (and 30 days after).
- Changes to out-of-date laws on debt letters, following our successful Stop the Debt Threats campaign. From the summer of 2021, creditors were no longer forced to send intimidating debt letters to people who are seriously behind on payments.
- Raising the alarm about planned cuts to face-to-face debt advice — plans that, thanks to our research and campaigning alongside an army of debt advisors, were later dropped.
- Working with a number of big high street banks to ensure they are more accessible for those with mental health issues – bringing direct impact on the day-to-day issues.
- Publishing state-of-the-nation research into the financial and mental wellbeing of people across the UK during the pandemic.
- Helping to lead a cross-sector coalition that successfully persuaded the government to crack down on scams in the Online Safety Bill
- Persuading the government to make improvements to the benefits systems, which will give people more channels to take part in health assessments
- Bringing together experts from the worlds of business, politics and healthcare for the Mental Health and Income Commission, which highlighted the stark income inequalities people with mental health problems face and how they can be addressed.

This is an impressive list of achievements in a year, especially for a small charity that is only six years old. Many factors help us punch far above our weight, but I'd like to draw special attention to our incredible Research Community of 'experts by experience', whose stories and ideas are at the heart of everything we do.

We owe them a huge thanks for their tremendous support in sharing their experiences and feedback to help others, and highlighting where changes need to be made.

There are many others deserving thanks for their crucial contribution to our work. They include Vice-Chair Richard Lloyd (who is now moving up or down – you decide – as interim chair of the FCA) and all my talented fellow trustees for their continued support, expertise and stewardship, and our Advisory Board for their experience and guidance.

Finally, I want to repeat my annual thanks to the whole Money and Mental Health team, and in particular Helen Undy, whose passion, leadership and enthusiasm has enabled the charity to have such great impact.

Of course 2021 was bad, 2022 is looking no better. The cost of living crisis is in full swing, these are dire times for many people's pockets – which has a direct effect on their mental wellbeing. As ever, we will do everything to come up with more practical solutions to reduce the psychological and financial harm this could cause, and to tackle the longstanding inequalities which drive the toxic link between money and mental health problems.



Martin Lewis
Founder and Chair, Money and Mental Health Policy Institute

MONEY AND MENTAL HEALTH POLICY INSTITUTE REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees are pleased to present the annual report and financial statements of the Money and Mental Health Policy Institute ("Money and Mental Health" or the "Institute" or the "Charity") for the year ended 31 December 2021.

The trustees confirm that the annual report and the financial statements of the Institute comply with current statutory requirements, the requirements of the Institute's constitution and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective 1 January 2019 (FRS 102).

The Institute is a Charitable Incorporated Organisation (charity registration no 1166493, registered on 12 April 2016).

OBJECTIVES AND ACTIVITIES

In setting objectives and planning for activities, the trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

Money and Mental Health is a research charity devoted to advance, for the public interest, understanding of mental health and financial capability and the relationship between the two.

Mental health problems can make it harder to earn money, to manage spending and to get a fair deal on products and services. Life is likely to cost more, precisely when we have less money available to spend. These challenges mean people experiencing mental health problems are three and a half times as likely to be in problem debt. Financial difficulty itself also causes stress and anxiety, but this is often made worse by collections activity or having to go without essentials. Over 100,000 people in England every year attempt to take their own life while struggling with problem debt.

With the furlough scheme having ended in 2021, the cost of living crisis now really starting to bite, and levels of mental distress still significantly higher than before the pandemic, our work is more important than ever. This report focuses on the impact we've had in 2021 in reducing some of the harms people have faced through the pandemic and the ensuing economic uncertainty.

The Charity's aim is to break the vicious cycle of money and mental health problems, so that all individuals have an equal chance of financial security, regardless of their mental health, and everyone's mental health can flourish, regardless of their financial circumstances.

As part of its 2019-2024 strategic plan, the Charity set the following three impact goals for itself with the view to create real change:

1. Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for **essential services**;
2. Fewer people have poor **living standards** as a result of mental health problems; and
3. **Support services** become more effective at helping people who have both money and mental health problems.

To reach these goals we:

1. **Research the links between mental health problems and financial difficulties**, drawing on the lived experience of our Research Community, a group of over 3,500 volunteers with personal experience of mental health problems, and national datasets. The Research Community is at the heart of all of our work, and we are enormously grateful for their input over the last year.
2. **Develop practical policy and solutions**, working in partnership with those providing services, those who shape and regulate them, and those using them, to pursue what really works. In 2021 we were particularly grateful to the experts who contributed to our Mental Health and Income Commission.
3. **Campaign, collaborate, test and innovate until our research leads to real change**. In 2021, we worked in partnership with a cross-sector coalition of organisations to campaign for greater consumer protections against online scams. We engaged with more than 40 essential services firms through our Mental Health Accessible programme, delivering improvements for customers with mental health problems on issues like signposting and digital accessibility. We also drove change through our programme with financial services firms to reduce gambling related harm, and through our events and Professionals Network.

We are committed to achieving social change not just through the work we do, but also how we do it. In these difficult times, we have redoubled our efforts to live by our organisational values. For example:

- 46% of our staff, 29% of our advisory board and 57% of our trustees have personally experienced mental health problems¹; all of our trustees have a close lived experience connection to mental health problems in some way.
- In 2021 we continued to make supporting the mental health and wellbeing of our team a top priority, and in our staff survey, 92% of staff said they 'strongly agree' that Money and Mental Health is committed to supporting their wellbeing and health. We introduced a new flexible working policy, bringing in reduced core hours and much greater flexibility on where and when we work, as well as a real emphasis on making the most of the time we have together in-person as a team.
- In 2021 we established an internal Equality, Diversity and Inclusion working group to monitor and analyse our working practices, and to ensure that we are continually improving. This has resulted in us changing our recruitment processes, including advertising our jobs in a wider range of places in order to reach a broader pool of people; making more jobs available remotely; and taking measures to make it easier for people with disabilities to take part in interviews.

ACHIEVEMENTS, PERFORMANCE AND PLANS FOR THE FUTURE

2021 programme of activities

In 2021, Money and Mental Health turned five. To mark the occasion, we undertook a major research project examining the state of the nation's finances and mental health during the pandemic.

Our report '*The state we're in*' (published in November) showed that people with mental health problems faced a much higher risk of financial hardship compared to the wider population. In particular, this group were much more likely to have fallen into serious debt and borrowed money to pay for essentials. These issues also had a shocking psychological impact, with around 2.5m people with mental health problems who fell behind on bills saying they considered or attempted suicide during the pandemic.

We set out a package of actions for the government, the NHS and essential services providers to take to break the devastating cycle of debt and mental health problems which has been fuelled by the pandemic.

What's next?

To build on this research, in 2022 we are publishing a series of papers examining the impact of factors like gender, sexuality, age and ethnic background on our finances and mental health.

In 2021 the Charity has also continued to focus on the delivery of its three impact goals from the 2019-2024 strategic plan as described below.

Impact goal: Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services

Tackling online harms and scams

Our '*Safety Net*' report (published March 2021) warned that people with mental health problems face a much greater risk of financial harm when using online services and spaces, such as online shopping, accessing credit, or dealing with scammers. This is largely due to the UK's inadequate online consumer protections, especially against online scams, which disproportionately affect people with mental health problems. The report set out a series of recommendations on how government, regulators and tech firms could strengthen online protections and give people more ways to stay in control online.

One of the report's key recommendations was for the government to include online scams in the scope of the Online Safety Bill, its flagship legislation to tackle online scams. To build momentum on this issue, we joined forces with organisations including Which?, UK Finance, and MoneySavingExpert to form a cross-sector coalition calling on the government to act. We were delighted that in response to our campaigning the government announced that user generated scams such as fake social media posts or romance scams would be included in the bill. Yet that left paid-for online scam adverts, one of the most potent problems, outside of the scope of the bill. The coalition then refocused efforts on persuading the government to include these in the bill too. This was successful in early 2022, and they are now included in scope.

¹ Survey we conducted in March 2022

Stopping Debt Threat letters

In the summer of 2021, the government made changes to decades-old rules which forced lenders to send threatening letters to people with problem debt. These changes came following our successful Stop the Debt Threats campaign, which showed that these intimidating letters can contribute to people in debt becoming suicidal, and persuaded government to act. In response, the government changed the rules on default notices — the most distressing debt collection letters — to make them more supportive and less intimidating for people in problem debt. Crucially, these letters now also signpost people to sources of free debt advice, to help them climb out of debt.

In May 2021, we were thrilled when the Stop the Debt Threats campaign won the Best Consumer Campaign award at the Sheila McKechnie Foundation's National Campaign awards, our second success in this category.

Progress in the bank on tackling gambling harms

In 2021 we also entered the second and final year of our programme of work funded by the Gambling Commission, aimed at galvanising action among financial services firms to reduce gambling harms. This included holding a major conference for financial services professionals — our most ambitious online event to date — which featured speakers such as Chris Philp MP (Minister for Tech and the Digital Economy), Charles Randell (Chair of the Financial Conduct Authority), alongside five 'lived experience speakers' across our sessions.

We also held practical workshops for financial services professionals and published a best practice guide to help firms in this sector improve support for customers at risk of gambling harms. Finally, we held a roundtable for senior leaders within financial services firms, to discuss opportunities for the sector to collectively address these issues. This programme of work finished at the end of 2021, but we will continue to push for more action on reducing gambling harm in the years to come.

Making more firms Mental Health Accessible

2021 has been a big year for Mental Health Accessible, our suite of programmes supporting essential services providers to better support their customers with mental health problems. We grew our team, engaged with more than 40 essential services firms, and accredited a further two major high-street banks in Halifax and Bank of Scotland, bringing our total number of Mental Health Accessible accreditation partners to three.

We've also worked with more firms in different ways, expanding further into bespoke consultancy to help firms improve specific areas of their business, including communications to customers in debt, digital accessibility and supporting customers with problem gambling. A big part of our consultancy has been providing essential service firms with an opportunity to include the voice of lived experiences into their design processes. Our Research Community members have fed back to firms on particular customer communications, helping those firms design their communications in a way that best supports people with mental health problems.

As we move into our third year of the Mental Health Accessible programme, we are increasingly seeing the impact of our work with firms, especially where we've made recommendations and firms have gone away and implemented these. Some highlights include:

- Better online support pages for people struggling with their finances
- Better, more supportive, communications to customers in debt
- Improved third party access with some banks offering a trusted person card, allowing a third party to support them in a safer way
- Customer services teams being better equipped to appropriately signpost customers to support.

Influencing regulatory developments

In 2021, we were pleased to see a number of our policy ideas and recommendations being acted upon by essential services regulators. For example, following recommendations put forward in our research and in our submission to the Financial Conduct Authority's Woolard Review, the government announced in February that interest-free Buy Now Pay Later products would come under the regulation of the FCA — a major step forward in tackling the financial harm these products can cause.

Also in February, we welcomed new guidance published by the FCA, which called on firms to improve support for vulnerable customers, including those with mental health problems. In particular, the FCA's guidance called for firms to ensure that the needs of vulnerable customers are a key consideration in the design of products and services, and to make their communications more accessible and understandable — measures we have long called for in our research.

What's next?

In 2022, we have continued to work with our scams coalition partners to push the government to include online scam adverts in the scope of the Online Safety Bill — resulting in a campaign victory in March 2022.

We have also published new research warning that essential services providers are failing to meet their Equality Act duties to treat customers with mental health problems fairly — leaving millions of vulnerable people struggling to use the everyday services that we all rely on.

We are working with Christians Against Poverty to evaluate the impact of changes to debt letters following our Stop the Debt Threats campaign, and to develop best practice for firms on this issue.

We have also changed our Mental Health Accessible programme in 2022 to align more closely with the FCA's guidance on supporting vulnerable customers, with the aim of working with more firms on their vulnerable customer strategies, and helping them prepare for the new FCA consumer duty (due to come into place in 2023).

We will also be undertaking new research exploring and tackling unfair discrimination against people with mental health problems in key insurance markets.

Impact goal: Fewer people have poor living standards as a result of mental health problems

Closing the mental health income gap

In February 2021 we published our final report for the Mental Health and Income Commission, a group of leaders from business, unions, politics, academia and the third sector. This showcased our evidence of the income gap for people with mental health problems compared to the wider population. It also called on employers and government to both increase support during the pandemic and help people with mental health problems thrive in the long term.

Following the launch of the report, we met with officials from the Department for Work and Pensions (DWP) and the Department for Business, Energy and Industrial Strategy to discuss the Commission's calls to action on employment protections and the social security system.

Stopping people from being set up to fail by the Universal Credit system

Many people with mental health problems rely on support from friends and family to help them manage their benefits — from filling in complex forms, to dealing with DWP correspondence and challenging decisions about their benefits. But too often people struggle to get this support with Universal Credit (UC), because the process to give permission to a third party to help you is unclear, impractical and poorly advertised. This can lead to people struggling to keep their accounts updated, and more at risk of being sanctioned or losing their benefits altogether. In other words, the UC system is setting people up to fail.

In May 2021 we published research highlighting these concerns and launched our Set Up To Fail campaign calling on the government to act. Collaborating closely with people with first-hand experience of mental health problems and of claiming UC, we set out how simple changes could make it easier for those who need support to get it. Eleven leading organisations backed our campaign including Mind, Rethink Mental Illness and Christians Against Poverty, while over 2,000 people have signed our petition urging the government to act. We also secured a debate in the House of Lords on this issue, led by Lord Bryn Davies, during which DWP minister Baroness Stedman-Scott acknowledged these issues and promised to work with us to address them. We will continue to campaign for the government to make concrete changes to the UC system, to make it easier for people to get support from loved ones in managing their account.

In 2021 we were also pleased to see the DWP act on our longstanding recommendation to widen the range of channels through which benefits assessments are conducted. This will make these assessments more accessible for people with mental health problems who can often struggle when only one contact option is provided.

What's next?

With more people moving from legacy benefits onto UC, we will continue to campaign for the government to address the systemic problems that make it hard for people to get support from loved ones to manage their UC account.

We'll also be undertaking research into how our local area and regional disparities affect our financial and mental health. Our aim is to ensure the government considers these factors in its "Levelling Up" agenda, through which it aims to tackle regional inequalities and increase opportunities across the UK.

In the Mental Health and Income Commission, we found that people with mental health problems are more likely to need frequent and longer breaks from employment. This means those affected are less likely to be paying into a pension, as well as missing out on valuable employer contributions. We will be exploring how well the pensions system works for people with mental health problems currently, and what government, pension providers and advice agencies can do to make the experience of contributing to and engaging with pensions an easier one.

Our impact goal: Support services become more effective at helping people who have both money and mental health problems

Giving people with mental health problems Breathing Space from debt

In 2018, the government responded to our successful Recovery Space campaign, by agreeing to extend its Breathing Space debt respite scheme to people experiencing a mental health crisis each year. Following three years of consultation, the government implemented the Mental Health Breathing Space scheme in May 2021. That means that people receiving mental health crisis treatment are now able to pause escalating fees, charges and collections activity on their debts while they focus on recovery. We continue to work with the government and the Money and Pensions Service (MaPS) — the arm's length government body responsible for supporting people with financial decision-making — to ensure all those who could benefit from the Mental Health Breathing Space are able to.

Protecting face-to-face debt advice

In 2020, MaPS commissioned us to explore how debt advice could be made more effective for people with mental health problems, in our report '*Help along the way*'. In 2021, we were pleased to see MaPS take forward our recommendations on mental health training for advisers, as part of its recommissioning of debt advice services in England.

Alongside those positive steps, however, the recommissioning also looked set to reduce the amount of funding allocated to face-to-face debt advice. A major finding of '*Help along the way*' was that providing debt advice through a range of channels was vital in making this support truly accessible. At the end of 2021, we published research highlighting our concerns about the impact of cuts to face-to-face services, building on campaigning by many frontline debt advisors. MaPS subsequently increased the funding for face-to-face debt advice by 50%, protecting these services which will be invaluable in the months ahead given the rising cost of living.

In 2019, Research Community members told us that there wasn't enough information provided by healthcare professionals about the impact mental health problems can have on your finances. Off the back of that research, we've worked with the charity Mind to produce a range of materials about the links between mental health problems and financial difficulty. This information has been spread through social media, adverts and in over 3,000 GP surgeries, with the aim of preventing people with mental health problems from experiencing money troubles.

What's next?

The next stage in our collaboration with Mind sees us publishing a paper exploring how people receiving secondary mental health care - in hospital or from community mental health teams, for example - could be better supported with their finances.

Through an ongoing partnership with King's College London and Citizens Advice, we have been supporting a pilot combining money advice with mental health support through the NHS's Improving Access to Psychological Therapies (IAPT) programme. In the next year, we will publish a paper setting out the lessons learned so far and hold a seminar bringing together stakeholders to discuss how best to take forward integration of money advice and mental health services.

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (cont'd)

Staffing

The Charity sadly bade farewell to Samantha da Soller (Head of Finance and Operations) in September 2021 and Merlyn Holkar (Senior Research Officer) in December 2021. Both Samantha and Merlyn were original team members, when the Charity was founded and we wish them well in their new careers.

We were joined by Georgia Preece (Research Assistant) in January 2021, Alexis Stevens (Senior Strategic Partnerships Officer) in August 2021 and Nicky Deans (Head of Finance and Operations) in November 2021.

Money and Mental Health continued to run an internship scheme in 2021, remunerated at the London living wage for applicants who wish to join the Institute for six months. Haylie Page, Richard Taylor and Rachel Fergusson were all part of the internship scheme supporting the External Affairs team in 2021.

As at 31 December 2021, the Charity had 13 employees. Since the year end we have recruited Rebecca Stacey (Senior Research Officer) and also welcomed a new intern, Dom Taylor. Rachel Fergusson has remained with the Institute following the end of her internship, going through an open recruitment round to secure a new permanent position as External Affairs Assistant. We have also recently recruited a Senior Trusts & Foundations Officer, who will be joining us in May 2022. This is a new post, created as part of our income generation strategy to diversify our income basis as our founder's donation tapers off towards 2025.

FINANCIAL REVIEW

Despite the continuing impact of Covid-19, the Charity continued to operate within budget and generated a higher than anticipated unrestricted surplus of £197k in 2021.

Total income for 2021 of £833k was £98k higher than in 2020 and only 1% lower than budgeted. This was made up of unrestricted income of £800k and a restricted grant of £33k.

Expenditure related to charitable activities for the year totalled £722k split between unrestricted expenses of £602k and restricted expenses of £120k. Of this total, £603k related to direct project delivery costs, £112k related to support costs and £7k to governance costs. Total staff costs (included in delivery and support costs) represented 80% of the Charity's total expenses.

This was a tougher year than expected for Mental Health Accessible (MHA) with fewer prospects due to the challenges faced by the energy sector, which resulted in a £31k shortfall against budget for this income stream. This was substantially mitigated by unbudgeted income from other consultancy services and grants meaning that we ended the year only £12k behind on the total income budget.

Substantial savings were also realised in key cost areas mainly due to the impact of Covid-19. Switching from face-to-face events to virtual events resulted in savings on venue and travel costs. We were also fortunate that no premises costs were payable for the lockdown periods when our office building was closed. Delays in our recruitment plans also resulted in further savings.

All staff members continued to work from home throughout the Covid-19 pandemic with no reliance by the Charity on furlough schemes or other Covid-19 support measures.

The Institute reported a surplus of £111k in 2021 made up of an unrestricted surplus of £197k and a restricted loss of £86k. £80k of the restricted loss generated in 2021 was funded by the restricted funds received in 2019 for the Gambling Commission work programme (as part of a regulatory settlement between the Gambling Commission and a gambling firm). The remaining £6k of restricted costs related to additional unfunded expenditure on the project to get government commitment to secure changes to the UC system, which was predominantly funded by the Lloyds Bank Foundation for England and Wales. This additional expenditure was funded from unrestricted reserves.

The Institute's funds held on 31 December 2021 totalled £781k. The Gambling Commission confirmed that any amounts remaining in the restricted reserve at the end of 2021 could be transferred to the unrestricted general fund. This resulted in a transfer of £87k into the general fund meaning that the total of £781k of reserves at the year end was all unrestricted. This is explained further in the *Reserves Policy* paragraph below.

With a funding pledge from the founder until at least the end of 2025, the Institute continues to operate as a going concern. A financial strategy of prudence and care will be pursued which, together with a continued commitment to diversification of income, will ensure the ongoing financial sustainability of the Institute.

Funding

Like many charities, Money and Mental Health continued to be impacted by the Covid-19 pandemic throughout 2021 and this had some effect on our income diversification plans. Despite the difficulties faced by the energy sector, Mental Health Accessible secured funding of £138k, consisting of £81k for MHA accreditation for Halifax, Bank of Scotland and Lloyds banks as well as a further £57k for bespoke consultancy services to financial institutions.

Other unrestricted income included a £499k donation from the founder and Chair of the Board of Trustees and a £56k donation from Capital One. An unrestricted grant of £35k was received from the John Ellerman foundation and a restricted grant of £33k was received from Lloyds Bank Foundation for England and Wales. Other income from commissioned research also included £40k from Mind, £3k from NatCen and £18k from Kings College London in partnership with Citizens Advice to support the NHS's Improving Access to Psychological Therapies programme. £5k was also received in sponsorship income from Capital One and our three bank accounts generated interest of £5k.

In 2021 the founder's donation accounted for 60% of the Charity's income, whilst 40% was generated from other external sources. This demonstrates that the Institute is starting to see some success in diversifying its income sources in line with its funding plans.

We would like to thank our founder and all our funders for their support in 2021.

Reserves policy

The trustees have set a policy which requires that general unrestricted reserves be maintained at a level that ensures the charity's core activity could continue during a period of unforeseen difficulty and that a proportion of reserves be maintained in a readily realisable form. The trustees have set this level to be equivalent to a 3 months' worth of operating expenses and it reviews this position at every meeting. It should be noted that this is a minimum level and the trustees recognise that a higher level may be required at times when the external financial climate is more challenging or when investment is required to ensure operational efficiency and resilience in future years.

The Charity's reserve policy is in line with the guidance issued by the Charity Commission and the calculation of the required level of reserves is an integral part of the charity's budgeting and planning cycle.

Any funds received by the Charity for a specific project or purpose are held in a restricted fund. On 1 January 2021, restricted funds of £167k were held in the Gambling Commission Work Programme fund, created to accelerate progress towards delivery of the Gambling Commission's national strategy to reduce gambling harms. During 2021, £80k was spent on this project, which finished during the year. At the end of the project, the Gambling Commission agreed that the balance remaining on this fund of £87k would be transferred to the unrestricted general fund. Therefore the balance of restricted funds at 31 December 2021 was £nil.

Unrestricted reserves consist of designated reserves and general reserves. Unrestricted funds can be spent or applied at the discretion of the trustees to further any of the Charity's purposes. Unrestricted funds can also be used to supplement expenditure made from restricted funds. For example, a restricted grant may provide only part of the funding needed for a specific project. In this case unrestricted funds may be used to meet any funding shortfall for that project.

Trustees may also choose during the reporting period to set aside a part of the unrestricted funds to be used for a particular future project or commitment. By earmarking funds in this way, the trustees set up a designated fund that remains part of the unrestricted funds of the charity. For example, this may be appropriate for large, unproven future projects, with significant set up costs, until they are self-funding, or alternative sources of funding are found, as was the case with the Mental Health Accessible project. This designation has an administrative purpose only and does not legally restrict the trustees' discretion in how to apply the unrestricted funds that they have earmarked.

On 1 January 2021 the Charity held designated funds totalling £377k for Mental Health Accessible (£142k), future capacity costs (£60k) and other contingency costs (£175k). Trustees agreed to merge all of these designated reserves into the unrestricted general reserve, resulting in a general reserve balance of £781k and a designated reserve balance of £nil.

The trustees are satisfied with the level of reserves held by the Charity as at 31 December 2021, which is in line with its reserves policy. Although the current level of reserves is significantly higher than the minimum specified in the policy, the trustees believe that this level will be required to sustain the Charity in the next 4 years, as the founder's donation tapers off.

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021 (cont'd)

To date the majority of our core funding has been from our Founder and Chair, Martin Lewis. As the charity has grown and developed, we have begun to diversify our funding base to ensure a strong and resilient future for the organisation. Our founder's donation has reduced from 100% of the charity's income in 2016 to 60% in 2021 as the annual donation has tapered and our alternative fundraising has grown. This donation will continue to taper, and we project that it will provide around 40% of our total income by 2025. Over the last couple of years the charity has also built some additional reserves, primarily as a result of cancelled activity and rent costs during the pandemic.

The charity has an income generation strategy that includes generating revenue by charging essential services firms for consultancy work, alongside grants, sponsorship and some other donor income. We believe that this will scale our impact, improving outcomes for millions of people with mental health problems, whilst making the charity more financially resilient.

In light of the impact of the pandemic and the cost of living crisis on both money and mental health, our work is needed more than ever. We aim to sustain our current level of capacity for our core delivery work, whilst at the same time developing new income generation capabilities. Our plans for the next few years therefore involve investing some of our reserves in the income generation, operations and consultancy capacity needed to grow and diversify our income base for the future, allowing us to maintain our current delivery capacity and impact whilst strengthening the charity for the future.

The level of reserves is monitored quarterly and the reserves policy is reviewed annually by the Board of Trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and objects

Money and Mental Health was registered as a charity with the Charity Commission for England and Wales on 12 April 2016. It is governed by its Constitution. It is a charitable incorporated institution.

The principal object of the Institute is, for the public benefit, to advance understanding of mental health, financial capability and the relationship between the two; to achieve this objective including through research, discussion, innovation and the design and testing of new approaches, and by disseminating the useful results of these endeavours.

Appointment of trustees and induction

Anyone who is a natural person and over the age of 16 can become a trustee. There must be at least three trustees and one of the trustees at least must be over the age of 18. There is no maximum number of trustees. New trustees are selected by the Board of Trustees according to the skills, knowledge and experience needed for the effective administration of the Institute.

Induction support and a trustee information pack is provided for all new trustees.

Members' liability

Money and Mental Health had 9 trustees as of 31 December 2021. They are the only persons eligible to be members of the Institute and their membership cannot be transferred to anyone else. If the Institute is wound up, its members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom's Accounting Standards (UK GAAP). The Institute has opted to prepare its accounts using the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and follow the Charity SORP 2019 (FRS 102). As a charity registered in England and Wales, the charitable company also reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

Chair of the Board of Trustees

Martin Lewis CBE is the founder and the Chair of the Board of Trustees of the Institute. He founded the Money Saving Expert website in 2003 and is currently its Executive Chair. He is also an award-winning campaigning journalist, a TV and radio presenter, a newspaper columnist and author as well as a charity founder. To date, he has also been the main source of revenues of the Institute.

Organisational structure and decision making

The Board of Trustees is responsible for the overall governance and direction of the Institute. The Board meets quarterly. Trustees operate in a non-executive capacity and they are responsible for helping to preserve the Institute's independence and impartiality, notably by ensuring that no interest group is able to exert undue influence on the Institute's work.

Oversight of financial performance and operational controls as well as recommendations on remuneration have been delegated since 2019 to a Finance Committee chaired by the Treasurer.

Day to day operations of the Institute are delegated to the Chief Executive Officer and the senior management team.

Remuneration policy, related party and other transactions

Money and Mental Health is committed to ensuring that its staff members are paid fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. In this context, all salaries are reviewed on an annual basis with the intention to offer each April an inflation-related increase to all employees who have been at their current pay level for three months or more, subject to the Institute's financial health being robust (this policy is not applicable to interns who are remunerated at the London Living wage which already includes an annual inflation adjustment). The Institute also has in place a work pension scheme relying on employer's and employees' pension contributions. The trustees hereby confirm that no contractual relationship with a related party was to be reported. Furthermore, the Institute did not act as an agent or a custodian trustee during the reporting period and it did not hold any funds on behalf of other parties. Finally, the trustees also confirm that there are no applicable exemptions from disclosure in this report.

Risk management

It is the responsibility of the trustees to monitor the risks posed to the ongoing viability of the Institute and its ability to fulfil its charitable objectives. All areas of risk (governance and compliance, operational, financial, environmental and external) have been identified and are set out in the Institute's risk register.

The Board of Trustees regularly assesses the major risks to which Money and Mental Health is exposed; even if less acute than last year, the main risks identified for the current year remain the ones associated with the Covid-19 situation, notably its potential impact on the mental health and wellbeing of the Charity's staff, but also the resulting slow-down in the Institute's income diversification plans as potential funders and Mental Health Accessible clients are not entirely back to normal levels of activity yet.

The Board is therefore satisfied that systems and adequate levels of reserves are in place to mitigate the Institute's exposure to these major risks.

Our thanks

The trustees are very grateful to the many individuals and organisations who supported the work of the Institute in 2021, in particular to the staff team, advisory board, and the thousands of people who generously shared their lived experience of mental health problems to shape our work.

Chair of the Board of Trustees

Martin Lewis

Board of Trustees

Clare Francis
Joanna Hill
Richard Lloyd (Vice-Chair)
Patrick Nash
Carol Pearson (Treasurer)
Chris Pond
Gareth Roy
Simi Ryatt

Advisory Board Members as of 31 December 2021

Bim Afolami MP	Dr Ricky Kanaber
Sue Ayton	Sir Norman Lamb
Andy Bell	Sandra Lawman
Luciana Berger	Aoife ní Luanaigh
Dr Jed Boardman	Léonora Miles
Dr Billy Boland	Vanessa Pine
Dr Lisa Cameron MP	Paul Scates
Rebecca Cassar	Jeff Smith MP
Sharon Collard	Mike Songer
Martin Coppack	Kate Sutton
Steve Crabb	Mark Trewin
Sandra Dangoor	Caroline Wells
Chris Fitch	Nicola Wood
Lee Healey	Professor Dame Til Wykes
Dan Holloway	

Institute Staff as of 31 December 2021

Helen Undy (Chief Executive Officer)
Conor D'Arcy (Head of Research and Policy)
Nicky Deans (Head of Finance and Operations)
Alice Rose (Head of Strategic Partnerships)
Brian Semple (Head of External Affairs)
Nikki Bond (Senior Research Officer)
Bronwen Dalley Smith (Senior External Affairs Officer)
Katrina Gaffney (External Affairs Officer)
Merlyn Holkar (Senior Research Officer)
Chris Lees (Research Officer)
Georgia Preece (Research Assistant)
Alexis Stevens (Senior Strategic Partnerships Officer)
Rachel Fergusson (Intern)

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Trustees on and signed on its behalf by:

.....
Martin Lewis CBE
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Opinion

We have audited the financial statements of Money and Mental Health Policy Institute (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 12], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of both the charity and sector, we identified the principal risks of non-compliance with laws and regulations and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- reading minutes of meetings of those charged with governance;
- considering the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions;
- reviewing disclosures in the financial statements to underlying supporting documentation

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

Date:

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	590,165	-	590,165	659,335
Charitable activities	5	204,809	33,394	238,203	67,715
Investment income	4	4,657	-	4,657	7,493
Other income		-	-	-	300
Total		<u>799,631</u>	<u>33,394</u>	<u>833,025</u>	<u>734,843</u>
EXPENDITURE ON					
Charitable activities	6	601,865	119,725	721,590	655,351
NET INCOME/(EXPENDITURE)		<u>197,766</u>	<u>(86,331)</u>	<u>111,435</u>	<u>69,492</u>
Transfers between funds	15	<u>80,695</u>	<u>(80,695)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>278,461</u>	<u>(167,026)</u>	<u>111,435</u>	<u>69,492</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>502,139</u>	<u>167,026</u>	<u>669,165</u>	<u>599,673</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>780,600</u></u>	<u><u>-</u></u>	<u><u>780,600</u></u>	<u><u>669,165</u></u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	Unrestricted funds £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	11	5,456	-	5,456	3,832
CURRENT ASSETS					
Debtors	12	43,267	-	43,267	115,865
Cash at bank		<u>800,232</u>	<u>-</u>	<u>800,232</u>	<u>758,524</u>
		843,499	-	843,499	874,389
CREDITORS					
Amounts falling due within one year	13	(68,355)	-	(68,355)	(209,056)
NET CURRENT ASSETS		<u>775,144</u>	<u>-</u>	<u>775,144</u>	<u>665,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>780,600</u>	<u>-</u>	<u>780,600</u>	<u>669,165</u>
NET ASSETS		<u>780,600</u>	<u>-</u>	<u>780,600</u>	<u>669,165</u>
FUNDS	15				
Unrestricted funds				780,600	502,139
Restricted funds				-	<u>167,026</u>
TOTAL FUNDS				<u>780,600</u>	<u>669,165</u>

The financial statements were approved and authorised for issue by the Board of Trustees on
and were signed on its behalf by:

.....
Carol Pearson
Treasurer

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>42,539</u>	<u>132,375</u>
Net cash provided by operating activities		<u>42,539</u>	<u>132,375</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(5,488)	(3,609)
Interest received		<u>4,657</u>	<u>7,493</u>
Net cash (used in)/provided by investing activities		<u>(831)</u>	<u>3,884</u>
Change in cash and cash equivalents in the reporting period		41,708	136,259
Cash and cash equivalents at the beginning of the reporting period		<u>758,524</u>	<u>622,265</u>
Cash and cash equivalents at the end of the reporting period		<u>800,232</u>	<u>758,524</u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	111,435	69,492
Adjustments for:		
Depreciation charges	2,712	2,548
Loss on disposal of fixed assets	1,152	-
Interest received	(4,657)	(7,493)
Decrease/(increase) in debtors	72,598	(84,510)
(Decrease)/increase in creditors	<u>(140,701)</u>	<u>152,338</u>
Net cash provided by operations	<u>42,539</u>	<u>132,375</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21 £	Cash flow £	At 31/12/21 £
Net cash			
Cash at bank	<u>758,524</u>	<u>41,708</u>	<u>800,232</u>
Total	<u>758,524</u>	<u>41,708</u>	<u>800,232</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. STATUTORY INFORMATION

Money and Mental Health Policy Institute is a registered charity, registered in England and Wales under charity number 1166493. The governing document of the charity is its Constitution, and it is a Charitable Incorporated Organisation (CIO). The principal address can be found on the entity information page. The nature of the charity's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charity's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

Going concern

No material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern exist.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line 25%
Computer equipment - straight line 33.33%

2. ACCOUNTING POLICIES - continued

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Designated funds are created for specific purposes at the discretion of the trustees.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. DONATIONS AND LEGACIES

	2021 £	2020 £
Donations	555,165	621,535
Grants	<u>35,000</u>	<u>37,800</u>
	<u>590,165</u>	<u>659,335</u>

4. INVESTMENT INCOME

	2021 £	2020 £
Bank interest receivable	<u>4,657</u>	<u>7,493</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Contracts for Charitable Research	5,000	-	5,000	49,000
Consultancy services and other income	199,809	-	199,809	18,715
Grants	-	33,394	33,394	-
	<u>204,809</u>	<u>33,394</u>	<u>238,203</u>	<u>67,715</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****5. INCOME FROM CHARITABLE ACTIVITIES - continued**

All income from Charitable Activities is derived from the charity's sole charitable activity 'to advance understanding of mental health, financial capability and the relationship between the two'.

Grants received, included in the above, are as follows:

	2021 £	2020 £
Lloyds Bank Foundation for England and Wales	<u>33,394</u>	<u>-</u>

6. CHARITABLE ACTIVITIES COSTS

	Unrestricted £	Restricted £	2021 Total £	2020 Total £
Direct costs	499,704	102,669	602,373	572,424
Support costs	95,189	17,056	112,245	87,002
Governance costs	6,972	-	6,972	5,925
	<u>601,865</u>	<u>119,725</u>	<u>721,590</u>	<u>665,351</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021 £	2020 £
Auditors' remuneration	5,870	5,848
Depreciation - owned assets	<u>2,712</u>	<u>2,548</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 or for the year ended 31 December 2020.

Trustees' expenses

There were no trustee's expenses paid for the year ended 31 December 2021. During the prior year, one trustee was reimbursed £65 in respect of expenses incurred on behalf of the remuneration committee.

9. STAFF COSTS

	2021 £	2020 £
Wages and salaries	500,588	472,497
Social security costs	50,140	47,180
Other pension costs	<u>27,613</u>	<u>27,910</u>
	<u>578,341</u>	<u>547,587</u>

The average monthly number of employees during the year was as follows:

2021	2020
<u>12</u>	<u>11</u>

9. STAFF COSTS - continued

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	-	1
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u><u>1</u></u>	<u><u>1</u></u>

In addition to this, pension contributions of £4,404 (2020 - £3,522) were received by these employees.

Included within staff costs above is an amount of £Nil (2020 - £2,152) in respect of redundancy payments.

The total key management personnel remuneration during the year was £330,625 (2020 - £325,647).

**10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES –
YEAR ENDED 31 DECEMBER 2020**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	659,335	-	659,335
Charitable activities	67,715	-	67,715
Investment income	7,493	-	7,493
Other income	<u>300</u>	<u>-</u>	<u>300</u>
Total	734,843	-	734,843
EXPENDITURE ON			
Charitable activities	<u>606,392</u>	<u>58,959</u>	<u>665,351</u>
NET INCOME/(EXPENDITURE)	128,451	(58,959)	69,492
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>373,688</u>	<u>225,985</u>	<u>599,673</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>502,139</u></u>	<u><u>167,026</u></u>	<u><u>669,165</u></u>

Based upon further review, some re-classification has taken place in respect of Income and expenditure previously reported to reflect as Income and expenditure under charitable activities.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Totals £
COST			
At 1 January 2021	3,735	9,848	13,583
Additions	732	4,756	5,488
Disposals	<u>(4,467)</u>	<u>-</u>	<u>(4,467)</u>
At 31 December 2021	<u>-</u>	<u>14,604</u>	<u>14,604</u>
DEPRECIATION			
At 1 January 2021	2,714	7,037	9,751
Charge for year	601	2,111	2,712
Eliminated on disposal	<u>(3,315)</u>	<u>-</u>	<u>(3,315)</u>
At 31 December 2021	<u>-</u>	<u>9,148</u>	<u>9,148</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>5,456</u>	<u>5,456</u>
At 31 December 2020	<u>1,021</u>	<u>2,811</u>	<u>3,832</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	29,944	108,000
Other debtors	1,000	-
Prepayments	<u>12,323</u>	<u>7,865</u>
	<u>43,267</u>	<u>115,865</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	19,329	1,259
Social security and other taxes	15,865	13,067
VAT	3,069	25,143
Accruals and deferred income	<u>30,092</u>	<u>169,587</u>
	<u>68,355</u>	<u>209,056</u>

Included within Accruals and deferred income above is the following deferred income:

	2021 £	2020 £
Consultancy Services	<u>-</u>	<u>130,000</u>

The prior year deferred income related to income received in advance of service delivery. This deferred income of £130,000 was released in full to the Statement of Financial Activities during 2021.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	<u>14,962</u>	<u>17,813</u>

15. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	Transfers between funds £	At 31/12/21 £
Unrestricted funds				
General fund	125,139	197,766	457,695	780,600
Contingency	175,000	-	(175,000)	-
Mental Health Accessible	142,000	-	(142,000)	-
Capacity costs	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>	<u>-</u>
	502,139	197,766	80,695	780,600
Restricted funds				
Gambling Commission Work Programme	167,026	(80,267)	(86,759)	-
Lloyds Bank Foundation for England and Wales	-	(6,064)	6,064	-
	<u>167,026</u>	<u>(86,331)</u>	<u>(80,695)</u>	<u>-</u>
TOTAL FUNDS	<u>669,165</u>	<u>111,435</u>	<u>-</u>	<u>780,600</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	799,631	(601,865)	197,766
Restricted funds			
Gambling Commission Work Programme	-	(80,267)	(80,267)
Lloyds Bank Foundation for England and Wales	33,394	(39,458)	(6,064)
	<u>33,394</u>	<u>(119,725)</u>	<u>(86,331)</u>
TOTAL FUNDS	<u>833,025</u>	<u>(721,590)</u>	<u>111,435</u>

15. **MOVEMENT IN FUNDS - continued**
Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General fund	93,688	128,451	(97,000)	125,139
Contingency	138,000	-	37,000	175,000
Mental Health Accessible	142,000	-	-	142,000
Capacity costs	-	-	60,000	60,000
	373,688	128,451	-	502,139
Restricted funds				
Gambling Commission Work Programme	225,985	(58,959)	-	167,026
TOTAL FUNDS	<u>599,673</u>	<u>69,492</u>	<u>-</u>	<u>669,165</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	734,843	(606,392)	128,451
Restricted funds			
Gambling Commission Work Programme	-	(58,959)	(58,959)
TOTAL FUNDS	<u>734,843</u>	<u>(665,351)</u>	<u>69,492</u>

Designated funds

Contingency

This fund was created to ensure that an adequate level of reserves is maintained to allow the charity to face any type of contingent liability or unexpected expenditure not included within the charity's operating budget.

Mental Health Accessible

This fund was created to ensure the fixed costs of the charity's work in this area would be covered regardless of income generation.

Capacity Costs

This fund was created to allow for investment in additional internal resource to manage additional workload and/or administrative tasks, as well as to have the flexibility to rely on external resources on an ad-hoc basis.

As outlined within the reserves policy, the Trustees agreed to merge all of the above designated funds into the unrestricted general fund.

Restricted funds

Gambling Commission Work Programme

During 2019 a £228,500 donation was received in relation to a regulatory settlement between the Gambling Commission and a gambling firm. In accordance with the regulatory settlement agreed in lieu of imposing a financial penalty on the gambling firm, these monies represented a restricted donation to the Charity to accelerate progress towards the delivery of the Gambling Commission's National Strategy to reduce Gambling Harms.

The funds were allocated to a programme of work agreed between the Charity and the Gambling Commission to deliver this progress by engaging the financial services sector in efforts to reduce gambling harms.

15. MOVEMENT IN FUNDS - continued

Lloyds Bank Foundation for England and Wales

Grant funding was received from Lloyds Bank Foundation for England and Wales to be used to secure government commitment for changing an element of the Universal Credit (UC) system, to make it easier for people to get help from family and friends in managing their benefits. The proposal addresses explicit consent.

Transfers between funds

Approval was obtained from the Gambling Commission that an underspend on the regulatory settlement project can be transferred into the charity's core charitable funds. A transfer of £86,759 has been transferred from the restricted fund to the general fund.

A fund transfer of £6,064 has been made from the general fund to the restricted Lloyds Bank Foundation for England and Wales fund to cover an overspend on the project.

On 1 January 2021 the charity held designated funds totalling £377,000. The Trustees agreed to merge all of these designated funds into the unrestricted general fund.

16. EMPLOYEE BENEFIT OBLIGATIONS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £27,613 (2020: £27,910). Contributions outstanding at the year end amounted to £Nil (2020: £Nil).

17. RELATED PARTY DISCLOSURES

During the year, donations totalling £499,000 (2020: £541,170) were received from the founder and Chair of the charity - Martin Lewis.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
INCOME AND ENDOWMENTS		
Donations and legacies	555,165	621,535
Donations		
Grants	<u>35,000</u>	<u>37,800</u>
	590,165	659,335
Investment income		
Bank interest receivable	4,657	7,493
Charitable activities		
Contracts for Charitable Research	5,000	49,000
Consultancy services and other income	199,809	18,715
Grants	<u>33,394</u>	<u>-</u>
	238,203	67,715
Other income		
Other sundry income	<u>-</u>	<u>300</u>
Total incoming resources	833,025	734,843
EXPENDITURE		
Charitable activities		
Wages (incl. Research Team)	462,079	429,429
Social security	45,970	42,477
Pensions	25,385	25,631
Research	15,540	26,093
Premises costs	(1,391)	16,077
Office costs	2,113	919
Events	-	389
Staff training	2,279	6,793
Hospitality	1,069	582
OOP expenses	295	702
Direct project costs - Mental Health Accessible	13,994	3,641
Communications	21,149	13,738
Direct project costs - Gambling Commission project	13,111	5,953
Lloyds Bank Foundation project costs	<u>780</u>	<u>-</u>
	602,373	572,424
Support costs		
Support costs		
Wages	38,509	43,068
Social security	4,170	4,703
Pensions	2,228	2,279
Insurance	1,158	1,398
Premises costs	-	1,210
Office costs	159	69
IT & Phone	16,724	16,460
Carried forward	62,948	69,187

This page does not form part of the statutory financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Support costs		
Brought forward	62,948	69,187
Bank charges	339	351
Legal and professional fees	14,942	5,943
Accountancy	4,088	4,536
Irrecoverable VAT	10,867	4,437
Interim employment agency fees	16,349	-
Depreciation of office equipment	601	756
Depreciation of Computer equipment	<u>2,111</u>	<u>1,792</u>
	112,245	87,002
Governance costs		
Auditors' remuneration	5,870	5,848
Legal and professional fees	1,102	-
Trustee expenses	-	65
Trustee hospitality	<u>-</u>	<u>12</u>
	<u>6,972</u>	<u>5,925</u>
Total resources expended	<u>721,590</u>	<u>665,351</u>
Net income	<u>111,435</u>	<u>69,492</u>

This page does not form part of the statutory financial statements

REGISTERED CHARITY NUMBER: 1166493



MONEY AND
MENTAL HEALTH
POLICY INSTITUTE

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Page
Entity information	1
Chair's annual report	2
Report of the Trustees	4
Report of the Independent Auditors	16
Statement of Financial Activities	19
Balance Sheet	20
Cash Flow Statement	21
Notes to the Cash Flow Statement	22
Notes to the Financial Statements	23
Detailed Statement of Financial Activities	31

MONEY AND MENTAL HEALTH POLICY INSTITUTE

ENTITY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

Chair of the Trustees	M Lewis
Vice-Chair of the Trustees	R Lloyd
Treasurer	C Pearson (appointed 15 March 2021) M Gwynant (resigned 15 March 2021)
Trustees	C Francis J Hill J Kay (resigned 15 March 2021) P Nash C Pond G Roy (appointed 15 March 2021) S Ryatt
Address	22 Kingsway London WC2B 6LE
Charity Number	1166493
Auditors	Watts Gregory LLP Elfed House Oak Tree Court Cardiff Gate Business Park Cardiff CF23 8RS

MONEY AND MENTAL HEALTH POLICY INSTITUTE

CHAIR'S ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

It's a full year since the first lockdown began. The world and the UK have changed utterly in that time. The twinned problems of financial difficulty and mental ill health that we are here to fight haven't wavered, they've strengthened. That's why I am incredibly proud of the Money and Mental Health Policy Institute's work, and its dual minded focus to reduce the harm caused by this terrifying combination, exacerbated by the pandemic.

The Institute has shone a much-needed light on systemic problems and inequalities that need to be addressed, successfully campaigned to right some of these wrongs, and worked tirelessly to bring about real change for those affected.

It responded quickly to the pandemic by highlighting the particular hardships that people with mental health problems are facing and offering solutions for how these issues can be addressed now and in the longer term.

Our work in 2020 was guided by three ambitious organisational goals:

1. Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services.

In October we celebrated a major victory for our Stop the Debt Threats campaign, when the government agreed to change decades-old rules which forced lenders to send intimidating letters to people in problem debt. These changes will make the worst debt letters more supportive, easier to understand and less threatening for people in problem debt — a big win for everyone who backed the campaign, including our Research Community members who shaped our research and spoke out about their experiences in the media.

Through our innovative Mental Health Accessible programme, we also continued to drive real improvements in the support people with mental health problems receive from essential services firms. Lloyds Bank became the first firm to receive a Mental Health Accessible accreditation, after making important changes to its services following a rigorous assessment by Money and Mental Health. We also launched our Urgent Covid-19 Customer Support Standards, which set out simple steps that firms could adopt to support the growing number of customers in distress.

We published a series of research reports highlighting the greater risk of financial harm people with mental health problems face when using online services and space — from shopping to scams — and how government, regulators and tech platforms can bolster online consumer protections. One key recommendation was the need for proper regulation of Buy Now Pay Later credit, and we were delighted when our lobbying along with other organisations, saw the Financial Conduct Authority announce in February 2021 its intention to regulate the industry.

Finally, we embarked on a programme of work to engage financial services providers to step up support for people affected by problem gambling. This included holding a virtual conference and a series of in-depth workshops exploring the opportunities for financial services to improve support measures and tools for customers with gambling issues.

Eleven UK banks now offer gambling blocks, and many also include 'cooling off periods' to help customers stay in control — proposals that we put forward in earlier research, before any banks offered these tools.

2. Fewer people have poor living standards as a result of mental health problems.

During this year we launched our Mental Health and Income Commission, which brought together experts from business, politics, trade unions and charities, to examine how people's mental health affects the income they receive.

Research undertaken for the Commission established that there is a significant income gap for people with mental health problems compared to the wider population — thanks to a combination of low wages, low employment prospects and long-term benefits cuts.

It also set out both immediate and long-term measures that government and employers should adopt to reduce the mental health income gap — from tackling the barriers to employment that many people with mental health problems face, to strengthening the safety net for those too unwell to work.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**CHAIR'S ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

At the outset of the pandemic, our policy note highlighted the particular financial challenges people with mental health problems faced due to the emerging crisis. It also raised concerns that this group would struggle to access benefits and the government's pandemic support measures during the current crisis.

We were pleased to see some of these concerns picked up in the government's Covid-19 mental health and wellbeing recovery plan in November.

3. Support services become more effective at helping people who have both money and mental health problems.

At the start of 2020, we were delighted to see our work cited in the new decade-long financial wellbeing strategy from the Money and Pensions Service (MaPS), the government's body to promote better financial guidance and information. MaPS credited our work as the key influence in its decision to have mental health as a central cross-cutting priority in the strategy.

We also published research highlighting the difficulty people with mental health problems can face in engaging with free debt advice and setting out ways that advice providers can make their services more accessible. We continue to work with MaPS to drive improvements off the back of this research.

Finally, we also saw important milestones in our Stop the Charge campaign, which aims to end GP charges for the Debt and Mental Health Evidence Form, paperwork that people with mental health problems can need to get help from creditors.

In September, the Welsh Government announced the end of these charges for people in Wales. In 2020 we also published important guidance to help creditors better understand and engage with customers experiencing both debt and mental health problems — therefore reducing the need for the Debt and Mental Health Evidence Form in the first place.

Money and Mental Health Policy Institute is a small charity with a huge impact.

There are many factors that help us punch far above our weight. One at its core is the incredible support of our Research Community of 5,000 experts by experience, whose ideas, stories and feedback are at the heart of everything we do. We owe a huge heartfelt thanks to them for their tremendous support sharing their experiences and ideas, and for highlighting where changes need to be made.

There are many others deserving thanks for their crucial contribution to our work. They include Vice-Chair Richard Lloyd and all my talented fellow Trustees for their continued support, scrutiny and stewardship, and our Advisory Board for their insight and guidance.

Finally, I want to say a big thanks to the whole Money and Mental Health team, led by Helen Undy and Katie Alpin (while Helen was on maternity leave), whose passion, energy and dedication has enabled the charity to have such great impact.

The coming year promises further uncertainty and hardship for many, but also some hope. With that our ambition is to continue to work to limit the damage that the pandemic causes, but also tackle with vigour some of the longer-term problems this crisis has heightened.



.....
Martin Lewis OBE
Chair and Founder, Money and Mental Health Policy Institute

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees are pleased to present the annual report and financial statements of the Money and Mental Health Policy Institute ("Money and Mental Health" or the "Institute" or the "Charity") for the year ended 31 December 2020.

The Trustees confirm that the annual report and the financial statements of the Institute comply with current statutory requirements, the requirements of the Institute's constitution and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" effective 1 January 2019 (FRS 102).

The Institute is a Charitable Incorporated Organisation (charity registration no 1166493, registered on 12 April 2016).

Reference, administrative details and information about the charitable trustees who have served during the financial year and up until the date of signing the financial statements, unless otherwise stated, are shown on pages 14 and 15 of this report.

OBJECTIVES AND ACTIVITIES

Money and Mental Health is a research charity devoted to advance, for the public interest, understanding of mental health and financial capability and the relationship between the two.

Mental health problems can make it harder to earn money, to manage spending and to get a fair deal on products and services. Life is likely to cost more, precisely when there is less money available to spend. Financial difficulty itself also causes stress and anxiety, but this is often made worse by collections practices or having to go without essentials. Over 100,000 people in England every year attempt to take their own life whilst struggling with problem debt¹.

The Charity's aim is to break the vicious cycle of money and mental health problems, so that all individuals have an equal chance of financial security, regardless of their mental health, and everyone's mental health can flourish, regardless of their financial circumstances.

As part of its 2019-2024 strategic plan, the Charity set the following three impact goals for itself with the view to create real change:

1. Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services;
2. Fewer people have poor living standards as a result of mental health problems; and
3. Support services become more effective at helping people who have both money and mental health problems.

To achieve its aim of ending the cyclical relationship between financial difficulties and mental health problems, the Institute undertakes research, develops policy and practical solutions and drives change for the public interest through campaigning, disseminating findings, and providing consultancy support to those providing services.

Money and Mental Health brings together insights from experts, including those with lived experience of mental health problems and translates that research and understanding into practical policy and solutions for government, regulators, essential services providers, health care professionals, advice services and others.

To achieve these goals and deliver its strategy, the Institute undertakes the following activities:

- producing innovative research that widens and deepens understanding of the nature and causality of money problems among those with poor mental health;
- conducting trials and testing of our ideas and providing hands-on consultancy support with their implementation to front line services and essential services firms in the public and private sector;
- developing practical policies and solutions for government, essential service providers, regulators, the mental health and advice sectors, working in partnership with those providing services, those who shape them, and those using them, to find out what really works;
- Campaigning and sharing our research to improve understanding of the links between mental health problems and financial difficulties, and increase awareness of proposed solutions.

¹ Bond N and Holkar M. A silent killer: Breaking the link between financial difficulty and suicide. Money and Mental Health Policy Institute. 2018.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Everything the Institute does is rooted in the lived experience of our Research Community, a group of volunteers with personal experience of either living with mental health problems or supporting someone with mental health problems. They ensure the research reflects problems as they really are today, not just as we think they are, or as they were the last time national data was collected, and they help us find solutions that will meet real needs. The Research Community brings the voices of lived experience to the table in discussions with government, regulators, firms and service providers, and generates ideas about new policy and solutions to help break the cyclical relationship between financial difficulties and mental health problems.

Public benefit

The trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Institute. The trustees' view is that Money and Mental Health complies with this guidance because:

- All research produced by the Institute which supports its objectives is available to members of the public to download from its website ensuring the broadest possible reach for the research;
- The policy solutions proposed by the Institute are informed by apolitical, independent and evidence-based research, so that all members of the public can benefit; and
- Its research activities are undertaken for the benefit of the public.

ACHIEVEMENTS AND PERFORMANCE

Since the publication of its 2019-2024 strategy, the Charity has focused on the delivery of its three impact goals as described in the section above. However, shortly after the effects of the pandemic hit the United Kingdom in March 2020, we revised our ambitions for the year as the trustees decided that one of the Charity's main considerations should be to support its staff members to adapt to remote working, to meet the challenges of combining home working with performing caring duties and to preserve as much as possible their wellbeing.

As well as affecting the charity's practical operations, the pandemic has shone a light on the scale of health inequalities in the UK and the impact of poverty and financial difficulty on health outcomes, including the devastating link between money and mental health. This has made our work more relevant than ever, and increased demand for our input into research and policy work from government, regulators, firms and service providers.

Despite the recalibrating of our ambitions for the year, and in the context of the increased relevance of our work, the team responded with enormous dedication and hard work, achieving some lasting change for people with mental health problems as our main activities for 2020 described below demonstrate.

2020 programme of activities

Money and Mental Health continued to produce innovative and responsive research in 2020. We published six reports, a policy note and responded to nine consultations, with a mix of work focusing on the consequences of the pandemic and more long standing issues.

To produce our research work, we relied extensively on our Research Community of c. 5,000 volunteer members. Over the course of 2020, we invited members to take part in 20 separate surveys - engagement was strong across these, with more than 500 responses to surveys exploring the impact of Covid-19 and the links between mental health problems and income. We also heard from the Research Community through nine other research activities, including focus groups, diaries and interviews. In 2020 the Institute also pursued its efforts to increase diversity within its Research Community. The meaningful size of our Research Community and the frequency of interactions with volunteers (weekly) continued to make it a fundamental pillar of our work.

We are also grateful to our Advisory Board - bringing together experts from academia, service provision, charities, industry as well as members of parliament, policy makers and those who live with mental health problems. They notably fed into our research projects, campaigns and ongoing work, drawing on their skills and expertise. They also helped to shape our programme of work for 2021.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Despite the disruption caused by the pandemic, we continued to have good impact and reach with our communications outputs. In 2020, our digital presence grew at a steady pace — with Facebook likes up by 27%, Twitter followers up by 19% and LinkedIn followers up by 40%. We also secured six pieces of national media coverage per month and our website received nearly 20,000 views per month. The move to remote working also gave us the opportunity to increase our reach in new ways, most notably in our first ever online event series, which on average attracted over 150 attendees per event.

The pandemic also led the Charity to publish mid-2020 a set of practical recommendations for essential services firms drawing on the expertise we had developed in the previous year through our Mental Health Accessible pilot: the *Urgent Covid-19 Customer Support Standards* were designed to help firms set up practical steps to support the growing number of their customers in distress. We also participated in the Inclusive Economy Partnership's BOOST programme delivered by the Young Foundation and Ernst & Young on behalf of the Cabinet Office and the Department for Digital, Culture, Media & Sport. This second accelerator programme provided us with access to a diversity of partners, expertise and networking opportunities which supported us in our efforts to adapt our Mental Health Accessible offering in fast changing and very challenging market circumstances. This opportunity followed from our participation in the IEP's first accelerator programme in 2019 when we received a £20,000 restricted grant to develop our Accessibility Standards.

Throughout 2020, the Charity continued to involve people with personal experience of mental health problems or as carers at every level of the organisation: an internal survey we conducted in May 2020 revealed that more than half of our advisory board members, 60% of our staff and more than 80% of our trustees have lived experience of mental health problems.

The Institute also continued to establish new relationships with various stakeholders across a range of sectors, notably through the creation of the Mental Health and Income Commission, which successfully brought together a group of high profile commissioners, including Matthew Taylor (Chief Executive of the RSA and author of the Taylor review of modern working practices) and Paul Farmer (CBE, Chief Executive of Mind and author of the Stevenson/Farmer review of mental health and employers "Thriving at Work"). The Institute is grateful to its trustee Chris Pond who accepted to chair the Commission and to all the commissioners who actively participated in various workshops to examine how people's mental health affects the income they receive through work, benefits and other sources.

Finally, Money and Mental Health continued to strive to bring forward practical and deliverable policy proposals to various stakeholders (policy makers, essential services firms, regulators and public service providers - primarily in the NHS, advice provision and consumer protection). As in previous years, we worked in partnership with them, through our research and external affairs activities, to ensure our recommendations were implemented. However, this year we were also particularly pleased to see our work influencing major government and regulatory strategies; this achievement shows that the Institute has been contributing to the direction of policy in a way that will lead to significant change in the longer term for people affected by money and mental health issues.

The most notable highlights of the Charity's impact in 2020 were as follows:

Essential services

- The government committed to change the content of Default Notices (mandated under the Consumer Credit Act 1974) for the most intimidating letters sent to debtors so as to make them less threatening, easier to understand and offering signposting towards appropriate help; this significant amendment resulted from our high profile *Stop the Debt Threats* campaign and a concerted influencing engagement with the Treasury, the Department of Health and Social Care and other key stakeholders. The Financial Conduct Authority, following a review of the factsheets that are sent alongside the arrears and default notices letters, has decided to issue new sheets with mental wellbeing signposted. The new version benefited from feedback received after circulating early drafts to our Research Community.
- Our Mental Health Accessible work led to numerous tangible changes for Lloyds Bank's customers with mental health problems, for whom digital accessibility and signposting for support were much improved;
- Lloyds Bank also introduced new 'trusted person cards' and cited our research as a major influence (notably our reports *A little help from my friends* and *Strength in numbers*). More generally personalised card controls are becoming more widely available to customers across the banking sector;

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

- The new guidance on the treatment of vulnerable consumers issued by the communications regulator's (Ofcom) included many of the Charity's recommendations and cited our work (notably our research reports *Access essentials*, *A little help from my friends*, *A silent killer* and our Mental Health Accessible web page). Similarly the Institute's work heavily influenced the new regulatory guidance on the treatment of vulnerable consumers issued by the Financial Conduct Authority;
- Finally our research series on online harms (which is concluding in the first half of 2021) fed into various work streams, involving the Competition and Markets Authority as well as the Financial Conduct Authority, notably adding weight to calls to regulate Buy Now Pay Later credit; it is also well timed to influence the Online Safety Bill scheduled for 2021.

Living standards

- The "Staying Mentally Well This Winter" policy paper published by the Department of Health and Social Care in November 2020 presented the link between money and mental health as a key theme and the work we did throughout the pandemic, notably the light we shone on the mental health impact of Covid-19 (and the related economic impacts) through our Mental Health Income Commission, was recognised as a prominent contributor to shaping the focus of this paper. Going-forward the Charity has been asked to provide input to steer the upcoming work to be carried out by a cross-government ministerial group to focus on the long-term impacts of the pandemic on mental health.

Support services

- Mental health has become a cross-cutting priority in the decade-long financial wellbeing strategy of the Money and Pensions Service. They credited our work as the key influence in this decision and representatives of the Charity now sit on all of the key groups established to guide the implementation of their strategy;
- Finally following the work we did in 2019 with HM Treasury to ensure that everyone in receipt of mental health crisis treatment gets access to "Breathing Space", the Draft Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) Regulations were laid in October 2020 before Parliament for approval; this will make the new Breathing Space scheme a reality from May 2021 and offer people in receipt of mental health crisis treatment protection from mounting fees, interest and charges and collection activity.

Gambling Commission

In 2020 we started to deliver the programme of work agreed between the Charity and the Gambling Commission and financed through a restricted donation received at the end of 2019. The joint aim is to accelerate progress towards the delivery of the Gambling Commission's National Strategy to Reduce Gambling Harms by engaging the financial services sector in efforts to reduce gambling harms. Despite the delay in the rollout of the programme because of Covid-19, the following results were achieved:

- The Charity was able to host a very successful online event instead of a major in-person conference: this event attracted over 150 participants, mainly from the financial sector, and gave the opportunity to more members of our Research Community to take part as speakers and as attendees;
- The Institute continued to work with numerous financial services firms to explore how they could deliver more effective gambling transactions blocks; additionally, a working group has been set up to investigate how financial institutions could improve customer support and make better use of data to reach out to customers affected by gambling issues;
- Gambling blocks are now in place in more than half of the largest retail banks and building societies (e.g. Natwest and Barclays) as well as in several major challenger banks (e.g. Monzo);
- Finally, our on-going research series on online harms also fed into work by the Gambling Commission.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Staffing

Conor D'Arcy (Head of Research and Policy) and Alice Rose (Head of Strategic Partnerships) both joined the Institute in February 2020. Meanwhile the Institute bid farewell to Tasneem Clarke (Research Officer) and welcomed Chris Lees (Research Officer) in May 2020 to support both the Research and Policy team and the Mental Health Accessible initiative. Katie Alpin (Interim Chief Executive Officer and formerly Head of Research and Policy) left the Charity at the end of October 2020 after more than four years as a member of the senior management team as Helen Undy (Chief Executive Officer) returned from maternity leave in November 2020. Finally Bronwen Dalley Smith (Senior External Affairs Officer) took over in December 2020 from Kate Langston to lead our efforts with the Gambling Commission work programme.

As a result, Money and Mental Health's team grew and went from seven full-time and two part-time employees at the end of 2019 to nine full-time and three part-time employees to date. It includes the Chief Executive Officer of the Institute, the External Affairs team (four staff members including an intern), the Research and Policy team (five staff members), the Mental Health Accessible team (one staff member) and the Finance and Operations team (one staff member).

Money and Mental Health continued to run an internship scheme in 2020, remunerated at the London living wage for applicants who wish to join the Institute for six months. Through this scheme, Juno Bhardwaj Shah and Haylie Page both supported the External Affairs team in 2020. The Institute also continued to work in partnership with Access Project - a charity that supports students from disadvantaged backgrounds to secure places at top universities, in part by arranging work placements. In 2020 we adapted our work placement scheme to the lockdown circumstances and the Research and Policy team welcomed two students remotely for a week.

Maintaining a friendly and collaborative workplace culture as well as ensuring a healthy and safe working environment remained key areas of focus for the Institute. Based on our first staff satisfaction survey carried out in 2020, these objectives were achieved with 83% of staff members strongly agreeing that the Charity is a great place to work, that it is committed to supporting the wellbeing and health of its staff and that it has a supportive team culture.

Sadly, a former member of our team, Rose Acton, passed away in December 2020. She had worked for the Institute from April 2016 to March 2017 as a secondee from the Financial Conduct Authority. She was notably the author of our report *The Missing Link* which investigated how tackling financial difficulty can boost recovery rates in IAPT; she was also a critical agent in creating and hosting the TechSprint we held with the FCA in March 2017, on how to help people with mental health issues better manage their money. We would like to pass on our heartfelt condolences to her family and friends.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL REVIEW

Despite the impact of Covid-19, the Charity continued to operate within budget and generated a higher than anticipated unrestricted surplus of £128,451 in 2020. Fewer revenues than planned were generated from our new Mental Health Accessible activity but substantial savings were realised in key cost areas due to the impact of Covid-19, such as delivery (e.g. fewer face-to-face events) and overheads (e.g. reduction in premises costs during lockdowns). All staff members continued to work from home throughout the Covid-19 pandemic with no reliance by the Charity on furlough schemes or other Covid-19 support measures. Despite a slower pace of deployment for Mental Health Accessible, the Charity continued to invest in the resources necessary to pursue its development (notably by enacting its recruitment plans for staff dedicated to this activity) and funded this from its core income. Below is a detailed account of the financial performance of the Charity in 2020.

Money and Mental Health generated £734,843 of unrestricted income in 2020 (2019: £887,429 of which £658,929 was unrestricted).

This unrestricted income included a £541,170 donation from the founder and Chair of the Board of Trustees and donations from various sources totalling £80,365 (including £80,000 from StepChange Debt Charity); £49,000 from contracts for charitable activities (from Money and Pensions Service); £18,715 from consultancy services (including £18,000 from Lloyds Bank); £37,800 from unrestricted grants (£35,000 from John Ellerman foundation and £2,800 from Guy's and St Thomas' Charity) and £7,793 from interest and other income. The revenues generated from contracts for charitable activities and consultancy services show the success of the Institute in diversifying its income sources in line with its funding plans.

Expenses for the year totalled £665,351 (2019: £552,394) split between unrestricted expenses (£606,392) and restricted expenses (£58,959). Expenditure related to charitable activities amounted to £572,424 while support costs and governance costs amounted to £87,002 and £5,925 respectively. Staff costs (including the Policy and Research team) represented 82% of the Charity's total expenses.

As a result, the Institute reported a surplus of £69,492 in 2020 (2019: £335,035) split between an unrestricted surplus (£128,451) and a restricted loss (£58,959). The restricted loss generated in 2020 was entirely funded by the restricted funds received in 2019 for the Gambling Commission work programme (as part of a regulatory settlement between the Gambling Commission and a gambling firm).

The Institute's funds held on 31 December 2020 amounted to £669,165 and were split between unrestricted funds (£502,139) and restricted funds (£167,026). The unrestricted funds consisted of £377,000 of designated funds (see *Reserves Policy* below) and £125,139 of general funds.

After accounting for creditors (£209,056, including £130,000 of deferred income), debtors (£115,865) and fixed assets (£3,832), the Institute generated a cash balance of £758,524 on 31 December 2020, held across three different banking institutions to limit the risk of loss.

With a funding pledge from the founder until mid 2023 (see *Plans for the future / Funding*), the Institute continues to operate as a going concern. A financial strategy of prudence and care will be pursued which, together with the continued diversification of income, will ensure the ongoing financial sustainability of the Institute.

A description of the main risks facing the Institute, as identified by the trustees, is included in the Risk Management paragraph within the *Structure, Governance and Management* section below.

Funding

Like many charities, Money and Mental Health was impacted by the Covid-19 pandemic and this had an effect on our income diversification plans. In particular, Mental Health Accessible had been identified in 2019 as the main area of income diversification for 2020 and Covid-19 impacted on the growth of this initiative and its delivery, resulting in a significant reduction in new income from what the Charity had originally anticipated. Consequently the development of Mental Health Accessible was funded from the core income of the Charity in 2020.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Despite this and to respond to the ever-increasing demand for our research and services (both confirmed during the pandemic) and to mitigate the dependency on our founder's core annual donation, we continued to pursue revenue diversification from other sources in 2020; this process remained subject to satisfactory due diligence on new income sources in accordance with our donations and funding policy. In line with these plans, Money and Mental Health raised £193,673 of external funds in 2020 (2019: £351,049) as it received an unrestricted donation from StepChange (£80,000), the first instalment of an unrestricted grant from John Ellerman Foundation (£35,000) and an unrestricted grant from Guy's and St Thomas' Charity (£2,800), signed one contract for charitable research with The Money and Pensions Service (£49,000) and provided consultancy services for external parties, including one in relation to its Mental Health Accessible initiative (Lloyds Bank: £18,000). Through this process, the Institute continued to develop skills, relationships and a reputation for working with diverse funders, which will allow the Institute to build up to greater revenue diversification in future years. We would like to thank all our funders for their support in 2020.

Reserves policy

In 2020 the trustees updated the reserves policy to acknowledge the increase in the level of required "Contingency" funds as of 31 December 2020 - calculated as £175,000 (i.e. a £37,000 increase on 31 December 2019 level) and representing three months of operating expenses. This "Contingency" designated reserve is held in a separate bank account.

Additionally the trustees relabelled the designated reserve for Access Standards as "Mental Health Accessible" in line with the rebranding of the service and maintained it at £142,000 to invest in capacity or to be able to fund any working capital requirements to support future growth and development.

Finally a new "Capacity Costs" designated reserve totalling £60,000 was created at the end of 2020 to allow for investment in additional internal resources to manage additional workload and/or provide administrative support, as well as have the flexibility to call upon external resources on an ad-hoc basis. This reserve is to cover expenses over and above those approved within existing operational budgets.

The "Contingency", "Mental Health Accessible" and "Capacity Costs" funds were set aside as designated funds within the £502,139 of unrestricted funds at the end of the financial year 31 December 2020.

The trustees are satisfied with the level of reserves held by the Charity as of 31 December 2020 which is in line with its reserves policy. The level of reserves is monitored quarterly, and the reserves policy will be reviewed in December 2021.

PLANS FOR THE FUTURE

2021 programme of activities

The Charity will continue to work towards its three strategic impact goals (essential services, living standards and support services) and, building on its 2020 successes, its activities will include both long/wide-ranging and rapid/narrowly-focused research work aiming to influence a fast-moving policy landscape. In 2020 we adapted our plans as a result of the Covid-19 situation and our research themes were refocused around the effects of the pandemic and the impact of policy responses on mental health and financial security. Our plans for 2021 combine the conclusion of these work streams with the launch of new ones which had been delayed by the pandemic.

Early 2021 saw the conclusion of the Mental Health and Income Commission work with the publication of its third and final report proposing systemic reforms to address the 'mental health income gap'. It was followed by the conclusion of our research series on the financial harms people with mental health problems can face when using the internet, with the launch of the *Safety Net* report.

For the rest of the year the Institute will carry out research work on the existing legal requirements of firms to provide adjustments to support customers with mental health problems and how they are currently enforced in the context of the Equality Act. The Charity will also instigate a major survey on money and mental health, as a follow-up to the survey done five years ago when it was created.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Meanwhile we will continue to work in partnership with a number of organisations. This includes King's College London (supported by Guy's and St Thomas' Charity) to help them develop a pilot offering free debt and money advice to service users of talking therapies (through the Improving Access to Psychological Therapies (IAPT) programme. Our second partnership is with Mind whereby the Institute is supporting them to develop new nationally distributed information resources, a communications campaign and service designs, all with the central aim of helping people with mental health problems avoid financial difficulties.

The Charity will also pursue the delivery of its programme of work with the Gambling Commission and we are notably hoping to host an in-person conference in the second half of 2021. Finally we will continue to adapt our Mental Health Accessible offering based on the successes and lessons we have learnt in 2020 and the close monitoring of the needs of essential services firms to help them support customers experiencing mental health problems.

Funding

The founder (and Chair of the Board of Trustees) continues to support the Charity financially with a donation of c. £499,000 received for 2021 and a pledge to continue to support the Charity until mid 2023 at least.

Additionally, the Institute intends to explore funding diversification again in 2021 after its plans were put on hold by the Covid-19 situation in 2020. The Charity will notably pursue its plan to develop its Mental Health Accessible initiative, while continuing to bid on a case-by-case basis for alternative funding from trusts, foundations and corporates. The Charity has been successful in securing new firms to be assessed against its Mental Health Accessibility standards in late 2020 and early 2021 and will continue to build its pipeline of new business across a variety of sectors.

Staffing

In 2021, Money and Mental Health is adding to the capacity of both its Research and Policy team and its External Affairs team by recruiting a Research Assistant and a Media Officer. It will also pursue the development of its Mental Health Accessible initiative by adding a staff member dedicated to this area. Finally, the Charity has set a Capacity Costs reserve at the end of 2020, part of which is aimed to finance other potential recruitments required to provide operational support to an enlarged team. The Charity also plans to employ two more interns and to continue to work with the Access Project to give work experience opportunities to students from disadvantaged backgrounds.

Money and Mental Health considers developing the skills of its employees as an important part of delivering its charitable object; in this context the Institute will continue to release staff for training and development time where needed and has set aside in its 2021 budget funding for each permanent employee for this purpose.

Money and Mental Health remains committed to providing equal opportunities for all employees and job applicants. Our employment handbook clearly states this policy to ensure that all our employees are aware of their obligations in promoting an equal opportunities working environment. We are also a Mindful Employer and our employees include people with lived experience of mental health problems. Finally, we welcome applications from all, including those with lived experience of mental health problems and those from under-represented groups, notably members of diverse ethnic communities and people from disadvantaged backgrounds.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and objects

Money and Mental Health was registered as a charity with the Charity Commission for England and Wales on 12 April 2016. It is governed by its Constitution. It is a charitable incorporated organisation.

The principal object of the Institute is, for the public benefit, to advance understanding of mental health, financial capability and the relationship between the two; to achieve this objective including through research, discussion, innovation and the design and testing of new approaches, and by disseminating the useful results of these endeavours.

Appointment of trustees and induction

Anyone who is a natural person and over the age of 16 can become a trustee. There must be at least three trustees and one of the trustees at least must be over the age of 18. There is no maximum number of trustees. New trustees are selected by the Board of Trustees according to the skills, knowledge and experience needed for the effective administration of the Institute.

Induction support and a trustee information pack is provided for all new trustees.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Members' liability

Money and Mental Health had 9 trustees as of 31 December 2020. They are the only persons eligible to be members of the Institute and their membership cannot be transferred to anyone else. If the Institute is wound up, its members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom's Accounting Standards (UK GAAP). The Institute has opted to prepare its accounts using the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and follow the Charity SORP 2019 (FRS 102). As a charity registered in England and Wales, the charity also reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

Chair of the Board of Trustees

Martin Lewis OBE is the founder and the Chair of the Board of Trustees of the Institute. He founded the Money Saving Expert website in 2003 and is currently its Executive Chair. He is also an award-winning campaigning journalist, a TV and radio presenter, a newspaper columnist and author as well as a charity founder. To date, he has also been the main source of revenue for the Institute.

Organisational structure and decision making

The Board of Trustees is responsible for the overall governance and direction of the Institute. The Board meets quarterly. Trustees operate in a non-executive capacity and they are responsible for helping to preserve the Institute's independence and impartiality, notably by ensuring that no interest group is able to exert undue influence on the Institute's work.

Oversight of financial performance and operational controls as well as recommendations on remuneration have been delegated since 2019 to a Finance Committee chaired by the Treasurer.

Day to day operations of the Institute are delegated to the Chief Executive Officer and the senior management team.

Organisational structure and decision making

A governance review took place in September 2020 where the performance of the board was formally evaluated. Particularly strongly rated were the board's organisational purpose, its integrity, openness and accountability, its commitment to the Charity's cause, its engagement with stakeholders and the trustees' understanding of their role and responsibilities. Lack of expertise with regard to diversity matters at board level was the main area of weakness identified by the audit. In this context, the Charity has started to work on a specific action plan, reviewing Equality, Diversity & Inclusion across the whole organisation (staff, trustees' board and advisory board) and its operating processes (recruitment, events, Research Community, imagery). Actions to date have included a diversity audit of all Charity's structures, the use of a new recruiting platform to minimise unconscious bias and the use of a wider range of communication channels for recruitment purposes to attract a more diverse range of candidates, notably at board level.

A strategy refresh session involving all the trustees is scheduled for the spring 2021 to reflect on the numerous changes which have taken place since early 2019 when the Charity's first strategic plan was put together. It will also inform the Charity's future fundraising plans.

Remuneration policy, related party and other transactions

Money and Mental Health is committed to ensuring that its staff members are paid fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. In this context, all salaries are reviewed on an annual basis with the intention to offer each April an inflation-related increase to all employees who have been at their current pay level for three months or more, subject to the Institute's financial health being robust (this policy is not applicable to interns who are remunerated at the London Living wage which already includes an annual inflation adjustment). The Institute also has in place a work pension scheme relying on employer's and employees' pension contributions. The trustees hereby confirm that no contractual relationship with a related party was to be reported. Furthermore the Institute did not act as an agent or a custodian trustee during the reporting period and it did not hold any funds on behalf of other parties. Finally, the trustees also confirm that there are no applicable exemptions from disclosure in this report.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Risk management

It is the responsibility of the trustees to monitor the risks posed to the ongoing viability of the Institute and its ability to fulfil its charitable objectives. All areas of risk (governance and compliance, operational, financial, environmental and external) have been identified and are set out in the Institute's risk register.

The Board of Trustees regularly assesses the major risks to which Money and Mental Health is exposed; even if less acute than last year, the main risks identified for the current year remain the ones associated with the Covid-19 situation, notably its potential impact on the mental health and wellbeing of the Charity's staff, but also the resulting slow-down in the Institute's income diversification plans as potential funders and Mental Health Accessible clients are not entirely back to normal levels of activity yet. Other risks facing the organisation are related to operations, notably the potential mismatch between resources and workload which the Charity is addressing through its recruitment plans.

The Board is therefore satisfied that systems and adequate levels of reserves are in place to mitigate the Institute's exposure to these major risks; it is planning to formalise a risk appetite statement for the Charity following a strategy refresh session in the spring of 2021.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees are very grateful to the many individuals and organisations who support the work of the Institute.

Chair of the Board of Trustees

Martin Lewis

Board of Trustees

Clare Francis
Mair Gwynant (Treasurer) (resigned 15 March 2021)
Joanna Hill
Joanna Kay (resigned 15 March 2021)
Richard Lloyd (Vice-Chair)
Patrick Nash
Carol Pearson (Treasurer) (appointed 15 March 2021)
Chris Pond
Gareth Roy (appointed 15 March 2021)
Simi Ryatt

Advisory Board Members as of 31 December 2020

Bim Afolami MP	Lee Healey
Sue Ayton	Dan Holloway
Andy Bell	Dr. Ricky Kanabar
Luciana Berger	Sir Norman Lamb
Dr. Jed Boardman	Sandra Lawman
Dr. Billy Boland	Aoife ní Luanaigh
Rachel Braverman	Léonora Miles
Dr Lisa Cameron MP	Vanessa Pine
Rebecca Cassar	Paul Scates
Sharon Collard	Jeff Smith MP
Martin Coppack	Kate Sutton
Steve Crabb	Mark Trewin
Sandra Dangoor	Professor Dame Til Wykes
Chris Fitch	Caroline Wells

Institute Staff as of 31 December 2020

Helen Undy (Chief Executive Officer)
Conor D'Arcy (Head of Research and Policy)
Samantha da Soller (Head of Finance and Operations)
Alice Rose (Head of Strategic Partnerships)
Brian Semple (Head of External Affairs)
Nikki Bond (Senior Research Officer)
Bronwen Dalley Smith (Senior External Affairs Officer)
Katrina Gaffney (External Affairs Officer)
Merlyn Holkar (Senior Research Officer)
Chris Lees (Research Officer)
Haylie Page (Intern) - (Left in February 2021)

Administrative Details

Charity name: The Money and Mental Health Policy Institute
Charity registered number: 1166493
Registered office: 22 Kingsway, London, WC2B 6LE
Telephone: 020 7848 1448
Email: contact@moneyandmental.org
Website: www.moneyandmentalhealth.org

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Auditors

Watts Gregory LLP, Elfed House, Oak Tree Court, Cardiff Gate Business Park, Cardiff,
CF23 8RS

Bankers

Unity Trust Bank Limited, Four Brindleyplace, Birmingham, B1 2JB
United Trust Bank Limited, 1 Ropemaker St, London, EC2Y 9AW
Virgin Money PLC, Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution proposing that Watts Gregory be re-appointed as auditors of the Institute's accounts for the year to 31 December 2021 will be put to the Annual General Meeting on 7 June 2021.

Approved by order of the Board of Trustees on 07 June 2021 and signed on its behalf by:



.....
Martin Lewis OBE
Chair

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Opinion

We have audited the financial statements of Money and Mental Health Policy Institute (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern in exceptional or unforeseen circumstances.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement [set out on page 15], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements which result from such irregularities. Based on our understanding of the charity and sector, we identified the principal risks of non-compliance with laws and regulations and considered the extent to which any non-compliance might have on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and ensured that all those involved in the audit undergo regular update training, including on how to identify or recognise fraud and non-compliance with laws and regulations.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inaccurate journals and management bias in accounting estimates. We addressed these risks by carrying out specifically targeted procedures, which included:

- discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and/or fraud;
- challenging assumptions made by management in relation to significant accounting estimates
- the appropriateness of journal entries and other adjustments;
- evaluating the reasons for any large or unusual transactions; and
- reviewing disclosures in the financial statements to underlying supporting documentation.

As outlined above, reasonable assurance is a high level of assurance, but is not a guarantee that a material misstatement may always be detected. The extent to which our procedures are capable of detecting material misstatements or irregularities, including fraud, is therefore subject to the inherent limitations of an audit. There is therefore, an unavoidable risk that a material misstatement may not come to light, in particular, where non-compliance with laws and regulations are remote from events and transactions reflected in the financial statements or where fraud or errors arise due to intentional misrepresentation, forgery, concealment, management override and/or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
MONEY AND MENTAL HEALTH POLICY INSTITUTE**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

8 June 2021

MONEY AND MENTAL HEALTH POLICY INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	621,535	-	621,535	774,800
Other trading activities	4	105,515	-	105,515	107,850
Investment income	5	7,493	-	7,493	4,779
Other income		<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>
Total		734,843	-	734,843	887,429
EXPENDITURE ON					
Charitable activities	6				
Trading		<u>606,392</u>	<u>58,959</u>	<u>665,351</u>	<u>552,394</u>
NET INCOME/(EXPENDITURE)		128,451	(58,959)	69,492	335,035
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>373,688</u>	<u>225,985</u>	<u>599,673</u>	<u>264,638</u>
TOTAL FUNDS CARRIED FORWARD		<u>502,139</u>	<u>167,026</u>	<u>669,165</u>	<u>599,673</u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**BALANCE SHEET
AT 31 DECEMBER 2020**

	Notes	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
FIXED ASSETS					
Tangible assets	11	3,832	-	3,832	2,771
CURRENT ASSETS					
Debtors	12	115,865	-	115,865	31,355
Cash at bank		<u>591,498</u>	<u>167,026</u>	<u>758,524</u>	<u>622,265</u>
		707,363	167,026	874,389	653,620
CREDITORS					
Amounts falling due within one year	13	(209,056)	-	(209,056)	(56,718)
NET CURRENT ASSETS					
		<u>498,307</u>	<u>167,026</u>	<u>665,333</u>	<u>596,902</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>502,139</u>	<u>167,026</u>	<u>669,165</u>	<u>599,673</u>
NET ASSETS					
		<u>502,139</u>	<u>167,026</u>	<u>669,165</u>	<u>599,673</u>
FUNDS					
Unrestricted funds	15			502,139	373,688
Restricted funds				<u>167,026</u>	<u>225,985</u>
TOTAL FUNDS					
				<u>669,165</u>	<u>599,673</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 07 June 2021 and were signed on its behalf by:



 Martin Lewis OBE
 Chair

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>132,375</u>	<u>349,207</u>
Net cash provided by (used in) operating activities		<u>132,375</u>	<u>349,207</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(3,609)	(1,423)
Interest received		<u>7,493</u>	<u>4,779</u>
Net cash provided by (used in) investing activities		<u>3,884</u>	<u>3,356</u>
Change in cash and cash equivalents in the reporting period		<u>136,259</u>	<u>352,563</u>
Cash and cash equivalents at the beginning of the reporting period		<u>622,265</u>	<u>269,702</u>
Cash and cash equivalents at the end of the reporting period		<u>758,524</u>	<u>622,265</u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	69,492	335,035
Adjustments for:		
Depreciation charges	2,548	2,339
Loss on disposal of fixed assets	-	183
Interest received	(7,493)	(4,779)
Increase in debtors	(84,510)	(14,843)
Increase in creditors	<u>152,338</u>	<u>31,272</u>
Net cash provided by (used in) operating activities	<u>132,375</u>	<u>349,207</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/20 £	Cash flow £	At 31/12/20 £
Net cash			
Cash at bank	622,265	136,259	758,524
	<u>622,265</u>	<u>136,259</u>	<u>758,524</u>
Total	<u>622,265</u>	<u>136,259</u>	<u>758,524</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. STATUTORY INFORMATION

Money and Mental Health Policy Institute is a registered charity, registered in England and Wales under charity number 1166493. The governing document of the charity is its Constitution and it is a Charitable Incorporated Organisation (CIO). The principal address can be found on the entity information page. The nature of the charity's operations and principal activities are disclosed within the Report of the Trustees.

The financial statements are presented in Sterling (£), the charity's functional currency, and rounded to the nearest pound.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent to provide a 'true and fair' view. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention. Assets and liabilities are initially recognised at historical cost or transaction values unless otherwise stated in the relevant accounting policy note(s).

Going concern

No material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern exist.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line 25%

Computer equipment - straight line 33.33%

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Employee benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. DONATIONS AND LEGACIES

	2020	2019
	£	£
Gifts and donations	<u>621,535</u>	<u>774,800</u>

4. OTHER TRADING ACTIVITIES

	2020	2019
	£	£
Contracts for Charitable activities	49,000	59,000
Consultancy services and other income	18,715	48,850
Grants	<u>37,800</u>	<u>-</u>
	<u>105,515</u>	<u>107,850</u>

5. INVESTMENT INCOME

	2020	2019
	£	£
Bank interest receivable	<u>7,493</u>	<u>4,779</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

6. CHARITABLE ACTIVITIES COSTS

	Direct costs £	Support costs £	Governance costs £	Totals £
Charitable activities	<u>572,424</u>	<u>87,002</u>	<u>5,925</u>	<u>665,351</u>

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2020 £	2019 £
Auditors' remuneration	5,848	6,150
Depreciation - owned assets	<u>2,548</u>	<u>2,339</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 or for the year ended 31 December 2019.

Trustees' expenses

During the year one trustee was reimbursed £65 in respect of expenses incurred on behalf of the remuneration committee.

During 2019 one trustee was reimbursed £378 for travel expenses.

9. STAFF COSTS

	2020 £	2019 £
Wages and salaries	472,497	359,609
Social security costs	47,180	34,988
Other pension costs	<u>27,910</u>	<u>19,007</u>
	<u>547,587</u>	<u>413,604</u>

The average monthly number of employees during the year was as follows:

2020	2019
<u>11</u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	1	-
£80,001 - £90,000	<u>-</u>	<u>1</u>
	<u>1</u>	<u>1</u>

In addition to this, pension contributions of £3,522 (2019 - £4,485) were received by these employees.

Included within staff costs above is an amount of £2,152 (2019 - £Nil) in respect of redundancy payments.

The total key management personnel remuneration during the year was £325,647 (2019 - £242,364).

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES – YEAR ENDED 31 DECEMBER 2019

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	546,300	228,500	774,800
Other trading activities	107,850	-	107,850
Investment income	<u>4,779</u>	<u>-</u>	<u>4,779</u>
Total	658,929	228,500	887,429
EXPENDITURE ON			
Charitable activities			
Trading	<u>549,879</u>	<u>2,515</u>	<u>552,394</u>
Total	549,879	2,515	552,394
NET INCOME/(EXPENDITURE)	109,050	225,985	335,035
RECONCILIATION OF FUNDS			
Total funds brought forward			
As previously reported	250,525	-	250,525
Prior year adjustment	<u>14,113</u>	<u>-</u>	<u>14,113</u>
As Restated	264,638	-	264,638
TOTAL FUNDS CARRIED FORWARD	<u>373,688</u>	<u>225,985</u>	<u>599,673</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

11. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Totals £
COST			
At 1 January 2020	2,992	6,982	9,974
Additions	<u>743</u>	<u>2,866</u>	<u>3,609</u>
At 31 December 2020	<u>3,735</u>	<u>9,848</u>	<u>13,583</u>
DEPRECIATION			
At 1 January 2020	1,958	5,245	7,203
Charge for year	<u>756</u>	<u>1,792</u>	<u>2,548</u>
At 31 December 2020	<u>2,714</u>	<u>7,037</u>	<u>9,751</u>
NET BOOK VALUE			
At 31 December 2020	<u>1,021</u>	<u>2,811</u>	<u>3,832</u>
At 31 December 2019	<u>1,034</u>	<u>1,737</u>	<u>2,771</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	108,000	18,500
Prepayments	<u>7,865</u>	<u>12,855</u>
	<u>115,865</u>	<u>31,355</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	1,259	882
Social security and other taxes	13,067	-
VAT	25,143	-
Accruals and deferred income	<u>169,587</u>	<u>55,836</u>
	<u>209,056</u>	<u>56,718</u>

Included within Accruals and deferred income above is the following deferred income:

	2020 £	2019 £
Consultancy Services	<u>130,000</u>	<u>18,000</u>

This relates to income received in advance of service delivery. The prior year deferred income of £18,000 was released in full to the Statement of Financial Activities during 2020.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	<u>17,813</u>	<u>17,927</u>

15. MOVEMENT IN FUNDS

	At 1/1/20 £	Net movement in funds £	Transfers between funds £	At 31/12/20 £
Unrestricted funds				
General Fund	93,688	128,451	(97,000)	125,139
Contingency	138,000	-	37,000	175,000
Mental Health Accessible	142,000	-	-	142,000
Capacity Costs	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>
	373,688	128,451	-	502,139
Restricted funds				
Gambling Commission Work Programme	225,985	(58,959)	-	167,026
	<u>599,673</u>	<u>69,492</u>	<u>-</u>	<u>669,165</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	734,843	(606,392)	128,451
Restricted funds			
Gambling Commission Work Programme	-	(58,959)	(58,959)
	<u>734,843</u>	<u>(665,351)</u>	<u>69,492</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2020

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/1/19 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/12/19 £
Unrestricted Funds					
General Fund	95,525	14,113	109,050	(125,000)	93,688
Contingency	105,000	-	-	33,000	138,000
Mental Health Accessible	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>92,000</u>	<u>142,000</u>
	250,525	14,113	109,050	-	373,688
Restricted Funds					
Gambling Commission Work Programme	-	-	225,985	-	225,985
	<u>-</u>	<u>-</u>	<u>225,985</u>	<u>-</u>	<u>225,985</u>
TOTAL FUNDS	<u>250,525</u>	<u>14,113</u>	<u>335,035</u>	<u>-</u>	<u>599,673</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	658,929	(549,879)	109,050
Restricted funds			
Gambling Commission Work Programme	228,500	(2,515)	225,985
	<u>228,500</u>	<u>(2,515)</u>	<u>225,985</u>
TOTAL FUNDS	<u>887,429</u>	<u>(552,394)</u>	<u>335,035</u>

15. MOVEMENT IN FUNDS - continued

Designated funds

Contingency

This fund was created to ensure that an adequate level of reserves is maintained to allow the charity to face any type of contingent liability or unexpected expenditure not included within the charity's operating budget.

Mental Health Accessible

Formally known as 'Access Standards', this fund was created to ensure the fixed costs of the charity's work in this area would be covered regardless of income generation. During 2020, the Board decided to maintain the reserve at its existing level to invest in capacity or to be able to fund any working capital requirements to support growth.

Capacity Costs

A new fund was created by the Board in 2020 to allow for investment in additional internal resource to manage additional workload and/or administrative tasks, as well as to have the flexibility to rely on external resources on an ad-hoc basis.

Restricted funds

Gambling Commission Work Programme

During 2019 a £228,500 donation was received in relation to a regulatory settlement between the Gambling Commission and a gambling firm. In accordance with the regulatory settlement agreed in lieu of imposing a financial penalty on the gambling firm, these monies represented a restricted donation to the Charity to accelerate progress towards the delivery of the Gambling Commission's National Strategy to reduce Gambling Harms.

The funds were allocated to a programme of work agreed between the Charity and the Gambling Commission to deliver this progress by engaging the financial services sector in efforts to reduce gambling harms.

Transfers between funds

The transfers during the year reflected the movement between the General Fund and designated funds, as approved by the Trustee Board.

16. PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charity in independently administered funds. The pension cost charge represents contributions paid by the charity to the fund and amounted to £27,910 (2019: £19,007). Contributions outstanding at the year end amounted to £Nil (2019: £Nil).

17. RELATED PARTY DISCLOSURES

During the year, donations totalling £541,170 (2019: £531,601) were received from the founder and Chair of the charity - Martin Lewis.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts and donations	621,535	774,800
Other trading activities		
Contracts for Charitable activities	49,000	59,000
Consultancy services and other income	18,715	48,850
Grants	<u>37,800</u>	<u>-</u>
	105,515	107,850
Investment income		
Bank interest receivable	7,493	4,779
Other income		
Other sundry income	<u>300</u>	<u>-</u>
Total incoming resources	734,843	887,429
EXPENDITURE		
Charitable activities		
Wages (incl. Research Team)	429,429	329,103
Social security	42,477	31,961
Pensions	25,631	17,365
Staff training	6,793	2,432
Research	26,093	10,481
Events	389	5,158
Communications	13,738	6,467
Premises costs	16,077	40,823
Office costs	919	934
Hospitality	582	951
OOP expenses	702	2,196
Direct project costs - Mental Health Accessible	3,641	29,503
Direct project costs - Gambling Commission project	<u>5,953</u>	<u>-</u>
	572,424	477,374
Support costs		
Wages	43,068	30,506
Social security	4,703	3,027
Pensions	2,279	1,642
Insurance	1,398	1,350
Premises costs	1,210	2,838
Office costs	69	65
IT & Phone	16,460	19,140
Bank charges	351	299
Carried forward	69,538	58,867

This page does not form part of the statutory financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Support costs		
Brought forward	69,538	58,867
Legal and professional fees	5,943	2,205
Accountancy	4,536	3,629
Irrecoverable VAT	4,437	-
Loss on sale of tangible fixed assets	-	185
Depreciation of office equipment	756	754
Depreciation of Computer equipment	<u>1,792</u>	<u>1,585</u>
	87,002	67,225
Governance costs		
Auditors' remuneration	5,848	6,150
Legal and professional fees	-	1,200
Trustee expenses	65	378
Trustee hospitality	<u>12</u>	<u>67</u>
	<u>5,925</u>	<u>7,795</u>
Total resources expended	665,351	552,394
	<hr/>	<hr/>
Net income	<u>69,492</u>	<u>335,035</u>

This page does not form part of the statutory financial statements

REGISTERED CHARITY NUMBER: 1166493



MONEY AND
MENTAL HEALTH
POLICY INSTITUTE

MONEY AND MENTAL HEALTH POLICY INSTITUTE
REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

Charity registration number: 1166493

Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Page
Entity information	1
Chairman's Report	2 to 3
Report of the Trustees	4 to 10
Report of the Independent Auditors	11 to 12
Statement of Financial Activities	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Cash Flow Statement	16
Notes to the Financial Statements	17 to 22
Detailed Statement of Financial Activities	23 to 24

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**ENTITY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

Chair of the Trustees	M Lewis
Vice-Chair of the Trustees	R Lloyd
Treasurer	M Gwynant
Trustees	C Francis J Hill J Kay P Nash C Pond S Ryatt
Address	22 Kingsway London WC2B 6LE
Charity Number	1166493
Auditors	Watts Gregory Elfed House Oak Tree Court Cardiff Gate Business Park Cardiff CF23 8RS

MONEY AND MENTAL HEALTH POLICY INSTITUTE

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

I write this Chair's report, like most of the nation, locked-in at home. The twin problems of mental health problems and financial distress have never been such a prominent issue. So it is with pride that I look back at the achievements made by the Money and Mental Health Policy Institute in 2019, before the world changed.

The Institute made important strides towards its vision of a world where the link between financial difficulty and mental health problems is broken.

We've had successful campaigns like 'Stop the Charge', launched new initiatives like the exciting Mental Health Accessible scheme, and even looked to the Institute's own future with an ambitious strategy setting out how to achieve more change.

Our work in 2019 was guided by three ambitious organisational goals:

1. Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services.

Our research shows that many people with mental health problems are effectively locked out of services such as banking, energy and telecoms, because of difficulties in making phone calls, opening post or filling in complex forms. To address these problems, we launched the Mental Health Accessible standards, an innovative new scheme aimed at helping directly guide firms take practical steps to make their services work better for customers experiencing mental health problems. We were delighted to partner with Lloyds Bank on a pilot of the scheme, and hope to roll it out across more essential services firms in the coming years.

We also published groundbreaking research exploring how financial firms can use customer data to spot signs that people are at risk of falling into debt, and to intervene to offer support. Another key report highlighted the difficulties people with mental health problems face when sharing financial decision-making with loved ones, and the steps that the government and essential services firms can take to make this process easier and safer.

Finally, we were delighted that our research, analysis and policy proposals, featured extensively in new regulatory guidance from the Financial Conduct Authority and Ofcom, on how firms should treat vulnerable customers.

2. Fewer people have poor living standards as a result of mental health problems.

This area focuses on making the benefits system more accessible for those with poor mental health. We published new research which revealed the bureaucratic barriers people with mental health problems face in the benefits system, and the damaging financial and psychological impact this has. We also set out simple steps the government should take to make it easier for people to access the benefits they are entitled to.

3. Support services become more effective at helping people who have both money and mental health problems.

In 2019 we were thrilled to secure a successful outcome for our 'Stop the Charge' campaign, bringing an end to GP charges in England for the Debt and Mental Health Evidence Form. This is paperwork that people with mental health and debt problems can be asked to provide to creditors in order to receive additional support. We will continue to work to end these charges in other parts of the UK in the coming years.

Another priority was working with the government to develop its Breathing Space debt relief scheme, following our successful Recovery Space campaign, which ensured that people using NHS mental health crisis services would have access to the scheme. We were delighted to be awarded the Best Consumer Campaign award for Recovery Space by the Sheila McKechnie Foundation.

Finally, we also published research on how health professionals, public bodies, employers and essential services can help prevent financial problems associated with mental illness.

The Money and Mental Health Policy Institute is a small charity that punches far above its weight. That is only possible through the support of our Research Community of 5,000 experts by experience, whose ideas, stories and feedback are at the heart of everything we do. We owe a huge heartfelt thanks to them for their tremendous support in sharing their experiences and views to help others, and for showing us where changes need to be made.

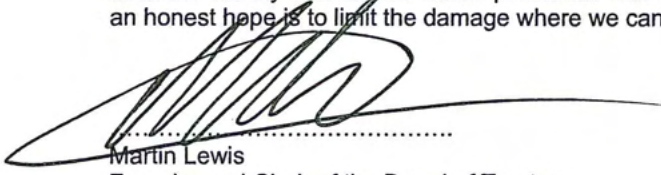
I also want to thank the many others who have made a crucial contribution to our work.

That includes Vice-Chair Richard Lloyd and all my talented fellow Trustees for their continued support, scrutiny and stewardship, and our Advisory Board for their insight and guidance. Finally, I want to say a big thanks to the whole Money and Mental Health team, led by Helen Undy and currently Katie Alpin, whose passion, energy and dedication has enabled the charity to have such great impact.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

All this leads us to 2020. In normal years I would hope to be confident we could go even further in breaking the toxic link between money and mental health problems. This year, with the extraordinary events due to the coronavirus outbreak, an honest hope is to limit the damage where we can.



.....
Martin Lewis
Founder and Chair of the Board of Trustees

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The Trustees are pleased to present the annual report and financial statements of the Money and Mental Health Policy Institute ("Money and Mental Health" or the "Institute" or the "Charity") for the year ended 31 December 2019.

The Trustees confirm that the annual report and the financial statements of the Institute comply with current statutory requirements, the requirements of the Institute's constitution and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2019 (FRS 102).

The Institute is a Charitable Incorporated Organisation (charity registration no 1166493, registered on 12 April 2016).

OBJECTIVES AND ACTIVITIES

Objectives and aims

Money and Mental Health is a research charity devoted to advance, for the public interest, understanding of mental health and financial capability and the relationship between the two.

Mental health problems can make it harder to earn money, to manage spending and to get a fair deal on products and services. Life is likely to cost more, precisely when there is less money available to spend. Financial difficulty itself also causes stress and anxiety, but this is often made worse by collections practices or having to go without essentials. Over 100,000 people in England every year attempt to take their own life whilst struggling with problem debt.

The Charity's aim is to break the vicious cycle of money and mental health problems, so that all individuals have an equal chance of financial security, regardless of their mental health, and everyone's mental health can flourish, regardless of their financial circumstances.

As part of its 2019-2024 strategic plan, the Charity set the following three impact goals for itself with the view to create real change:

1. Fewer people are disadvantaged as a result of their mental health or experience psychological harm when choosing, using or paying for essential services;
2. Fewer people have poor living standards as a result of mental health problems; and
3. Support services become more effective at helping people who have both money and mental health problems.

To achieve its aim of ending the cyclical relationship between financial difficulties and mental health problems, the Institute undertakes research, provides a forum for discussions, encourages innovation, designs and tests new tools and finally disseminates its findings for the public interest.

Money and Mental Health brings together insights from experts, including those with lived experience of mental health problems and translates that research and understanding into practical policy and solutions for government, regulators, essential services providers, health care professionals, advice services and others.

To achieve these goals and deliver its strategy, the Institute undertakes the following activities:

- producing innovative research that widens and deepens understanding of the nature and causality of debt problems among those with poor mental health;
- conducting trials and testing of our ideas by working with front line services and essential services firms in the public and private sector, helping to demonstrate impact and practicality of our ideas;
- developing practical policies and solutions for government, essential service providers, regulators, the mental health and advice sectors, working in partnership with those providing services, those who shape them, and those using them, to find out what really works;
- Campaigning and sharing our research to improve understanding of the links between mental health problems and financial difficulties, and increase awareness of proposed solutions.

Everything the Institute does is rooted in the lived experience of our Research Community, a group of volunteers with personal experience of either living with mental health problems or supporting someone with mental health problems. They ensure the research reflects problems as they really are today, not just as we think they are, or as they were the last time national data was collected, and help us find solutions that will meet real needs. The Research Community brings the voices of lived experience to the table in discussions with government, regulators, firms and service providers, and generates ideas about new policy and solutions to help break the cyclical relationship between financial difficulties and mental health problems.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Public benefit

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the Institute. The Trustees' view is that Money and Mental Health complies with this guidance because:

- All research produced by the Institute which supports its objectives is available to members of the public to download from its website ensuring the broadest possible reach for the research;
- The policy solutions proposed by the Institute are informed by apolitical, independent and evidence-based research, so that all members of the public can benefit; and
- Its research activities are undertaken for the benefit of the public.

Achievements and performance

Since the publication of its 2019-2024 strategy, the Charity has focused on the delivery of its three impact goals as described in the section above. The Charity's main activities for 2019 described below demonstrate how these goals have been achieved.

2019 programme of activities

Money and Mental Health continued to produce innovative research in 2019 through the publication of four reports, three policy notes and one discussion paper. We also responded to 20 consultations (compared to 17 in 2018) and published a manifesto for the 2019 general election.

To produce our research work, we relied extensively on our Research Community of c. 4,700 members. We invited members to take part in 18 separate surveys and five focus groups over the course of 2019. Survey response rates continued to be strong with over 500 responses to surveys for key projects around access to the benefits system, the use of financial data to support customers, tools to support financial decision making and preventing financial difficulties. The meaningful size of our Research Community, its increasing diversity and the frequency of interactions with volunteers (weekly) continued to make it a fundamental pillar of our work.

We are also grateful to our Advisory Board - bringing together experts from academia, service provision, charities, industry and those who live with mental health problems. They notably fed into our research projects and ongoing work, drawing on their skills and expertise. They also helped to shape our programme of work for 2020.

The growth in the Institute's profile, reach and impact over 2019 was also reflected in the doubling of our volume of press coverage, securing 118 pieces of national media coverage (compared to 55 in 2018). We also continued to see significant growth in our social media channels, with our following on Twitter and Facebook increasing by around 75%, and our LinkedIn followers nearly doubling during the year. Average monthly traffic to our website increased by more than two thirds, as did the number of people receiving our monthly newsletters.

Throughout 2019, the Charity continued to involve people with personal experience of mental health problems or as carers at every level of the organisation; it also established new relationships with various stakeholders across a range of sectors.

Finally, Money and Mental Health continued to strive to bring forward practical and deliverable policy proposals to various stakeholders (policy makers, essential services firms, regulators and public service providers - primarily in the NHS, advice provision and consumer protection). We worked in partnership with them, through our research and external affairs activities, to ensure our recommendations were implemented and we notably achieved the following results in 2019:

Essential services

- Nine banks implemented an optional gambling block for customers following our campaigning work, marking a significant industry-wide move;
- We launched Mental Health Accessible, an innovative new scheme aimed at helping firms take practical steps to make their services more accessible to customers experiencing mental health problems, and began piloting our accessibility standards with Lloyds Bank;
- Over 30 national charities, four major banks and building societies and 11,500 people backed our campaign to 'Stop the Debt Threats' and modernise letters sent to people in problem debt. The Justice Committee also backed our calls, as part of the Taking Control Coalition, for independent regulation of bailiffs;
- We worked alongside the Financial Conduct Authority and a wide range of financial services firms to explore how banks and building societies could use customers' financial data to identify and support people at risk of financial difficulty. Some financial services providers are exploring how best to do this and new regulatory guidance encourages firms to proactively identify vulnerability, in line with a recommendation made in our Silent Killer report in 2018;

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

- Our work heavily influenced new regulatory guidance on the treatment of vulnerable consumers from both the Financial Conduct Authority and Ofcom, the telecommunications regulator.

Living standards

- A Minister joined the launch of our first major policy report on access to the benefits system, examining the challenges people with mental health problems face applying for and meeting ongoing requirements to receive social security.

Support services

- GPs in England are no longer allowed to charge for paperwork to provide evidence of mental health problems to creditors. The inclusion of the Debt and Mental Health Evidence Form in the GP contract represented a real success for our Stop the Charge campaign. Creditors have also agreed to avoid asking for evidence wherever possible, and in early 2020 we published new guidance, in partnership with the Money Advice Trust, to help them support customers experiencing mental health problems;
- We have worked with the government to ensure plans to offer everyone in receipt of mental health crisis treatment access to "Breathing Space" (a debt respite scheme), offering protection from mounting fees, interest and charges and collections activity, will work in practice.

Staffing

The Institute appointed Katie Alpin as interim Chief Executive Officer in January 2020 as Helen Undy (Chief Executive Officer) went on maternity leave. Conor D'Arcy and Alice Rose both joined the Institute in February 2020 as Head of Research and Policy (in replacement of Katie Alpin) and as Head of Programmes (Mental Health Accessible) respectively. In January 2020 Kate Langston took the post of Senior External Affairs Officer in charge of the Gambling Commission Work Programme while Katrina Gaffney was appointed as External Affairs Officer.

As a result, Money and Mental Health's team went from seven full-time and two part-time employees in 2018 to nine full-time and two part-time employees to date. It includes the Chief Executive Officer of the Institute, the interim Chief Executive Officer, the External Affairs team (three staff members and an intern), the Research and Policy team (three staff members), the Mental Health Accessible team (one staff member) and the Finance and Operations team (one staff member).

Money and Mental Health continued to run an internship scheme in 2019, remunerated at the London living wage for applicants who wish to join the Institute for six months. The Institute also continued to work in partnership with Access Project - a charity that supports students from disadvantaged backgrounds to secure places at top universities, in part by arranging work placements.

Maintaining a friendly and collaborative workplace culture as well as ensuring a healthy and safe working environment remained key areas of focus for the Institute.

FINANCIAL REVIEW

Money and Mental Health generated £887,429 of income in 2019 split between unrestricted income (£658,929) and restricted income (£228,500).

The unrestricted income included a £531,601 donation from the founder and Chair of the Board of Trustees and donations from various sources totalling £14,699 (including £10,000 from Lloyds Bank); £59,000 from contracts for charitable activities (£46,000 from Barclays Bank and £13,000 from UK Finance); £48,850 from consultancy services (including £40,000 from Lloyds Bank, £4,100 from Nationwide Building Society and £3,500 from Money and Pensions Service) and £4,779 from interest. The revenues generated from contracts for charitable activities and consultancy services show the success of the Institute in diversifying its income sources in its fourth year of existence in line with its funding plans.

The restricted income consisted of a £228,500 donation in relation to a regulatory settlement between the Gambling Commission and a gambling firm. In accordance with the regulatory settlement agreed in lieu of imposing a financial penalty on the gambling firm, these monies represented a restricted donation to the Charity to accelerate progress towards the delivery of the Gambling Commission's National Strategy to Reduce Gambling Harms. The funds will be allocated to a programme of work agreed between the Charity and the Gambling Commission to deliver this progress by engaging the financial services sector in efforts to reduce gambling harms. It will span over a 2-year period (2020-2021) and include hosting a major conference and launching a new online best practice hub to share evidence, a programme of engagement with individual firms to drive change, a series of workshops, short publications and work to support ongoing research in the sector.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Expenses for the year totalled £552,394 split between unrestricted expenses (£549,879) and restricted expenses (£2,515). All expenditure was incurred on charitable activities. The bulk of these (75%) were related to staff costs.

As a result, the Institute reported a surplus of £335,035 in 2019 split between unrestricted surplus (£109,050) and restricted surplus (£225,985).

The Institute's funds held on 31 December 2019 amounted to £599,673 and were split between unrestricted funds (£373,688) and restricted funds (£225,985). The unrestricted funds consisted of £280,000 of designated funds (see Reserves Policy below) and £93,688 of general funds.

After accounting for creditors (£56,718), debtors (£31,355) and fixed assets (£2,771), the Institute generated a cash balance of £622,265 on 31 December 2019, held across three different banking institutions to limit the risk of loss.

With a funding pledge from the founder until mid 2023 (see Plans for the future / Funding), the Institute continues to operate as a going concern. A financial strategy of prudence and care will be pursued which, together with the continued diversification of income, will ensure the ongoing financial sustainability of the Institute.

A description of the main risks facing the Institute, as identified by the Trustees, is included in the Risk Management paragraph within the Structure, Governance and Management section below.

Funding

To enable more work to be done and as a funding risk mitigation, Money and Mental Health continued to pursue revenue diversification in 2019; this process remained subject to satisfactory due diligence on new income sources in accordance with its funding policy. In line with these plans, Money and Mental Health raised more external funds in 2019 (£351,049) than in 2018 (£82,408) as it received one restricted donation, signed two contracts for charitable research and provided consultancy services for three external parties, including one in relation to its Mental Health Accessible initiative. Through this process, the Institute continued to develop skills, relationships and a reputation for working with diverse funders, which will allow the Institute to build up to greater revenue diversification in 2020.

Reserves policy

In 2019 the Trustees reviewed the reserves policy: they relabelled the existing "Core Costs" designated reserve (which had been established for the Charity to face potential liabilities arising in a close down scenario only) as a "Contingency" reserve to ensure that an adequate level of funds is maintained to allow the Institute to face any type of contingent liabilities. The level of required "Contingency" funds as of 31 December 2019 was calculated as £138,000 (i.e. a £33,000 increase on 31 December 2018 level) and represented three months of operating expenses. This "Contingency" designated reserve is held in a separate bank account.

Additionally the Trustees increased the designated reserve for Access Standards from £50,000 to £142,000 to ensure the fixed costs of the Charity's work in this area would be covered during 2020 regardless of income generation.

The "Contingency" and the "Access Standards" funds were set aside as designated funds within the £373,688 of unrestricted funds at the end of the financial year 31 December 2019.

The level of reserves is monitored quarterly and the reserves policy will be reviewed in December 2020.

PLANS FOR THE FUTURE

2020 programme of activities

The Charity will continue to work towards its three strategic impact goals (essential services, living standards and support services). In 2020 our aim was to publish four core reports and a number of policy notes on these topics, while continuing to respond to consultations where possible and appropriate as a way of dispersing our research findings and policy recommendations.

Following the pilot done in 2019 on accessibility standards (in collaboration with Lloyds Bank) and the confirmation of the viability and the attraction of the Charity's Mental Health Accessible initiative, the Charity had also decided to recruit two employees in 2020 to accelerate the development of this initiative (a Head of Programmes and a Research Officer).

However our plans have had to be adapted as a result of Covid-19, a situation in which our work has become more important than ever before, with more people likely to experience poor mental health and financial distress in 2020 and beyond as a consequence of the pandemic.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

As a result the Charity has decided to modify the timing, the size and the framing of its publications. Our plans for the year include more rapid research and policy work, with a move to shorter, more frequent outputs aiming to influence a fast-moving policy landscape; our research themes are also to be refocused around the effects of the pandemic and the impact of policy responses on mental health and financial security. In this new context, the Charity still plans to deliver three of its four core publications this year. The first report will examine the accessibility of money and debt advice for people experiencing mental health problems, to ensure people living with mental health problems can access appropriate support when experiencing problem debt. The second report will explore how the pandemic and policy response have affected the incomes of people experiencing mental health problems and how post-pandemic policies could improve living standards for people with mental health problems. The third report will explore how the operation of online gambling, retail and finance affects people experiencing mental health problems, and the steps which could be taken to mitigate online harms, particularly in the context of the Covid-19 lockdown.

The other consequences of the Covid-19 situation include potential adjustments to our programme of work with the Gambling Commission and the modification of our Mental Health Accessible offering to adapt it to the current circumstances and provide immediate recommendations for essential services firms to help them support customers experiencing mental health problems at this challenging time.

Funding

The founder (and Chair of the Board of Trustees) continues to support the Charity financially with a donation of c. £541,000 received for 2020 and a pledge to continue to support the Charity until mid 2023 at least.

Additionally the Institute intended to accelerate its funding diversification in 2020 with an ambitious plan to develop its Mental Health Accessible programme, while continuing to bid on a case by case basis for alternative funding from trusts, foundations and corporates. The Charity was successful in securing new sponsoring for its research in early 2020, but this promising start was interrupted by the Covid-19 crisis which has put on hold since mid-March most of the Charity's funding diversification plans. However the Institute remains committed to exploring opportunities as and when they will materialise again.

Staffing

In 2020, Money and Mental Health plans to employ two more interns and to continue to work with the Access Project to give work experience opportunities to students from disadvantaged backgrounds.

Money and Mental Health considers developing the skills of its employees as an important part of delivering its charitable object; in this context the Institute will continue to release staff for training and development time where needed and has set aside in its 2020 budget funding for each employee for this purpose.

Money and Mental Health also remains committed to providing equal opportunities for all employees and job applicants. Our employment handbook clearly states this policy to ensure that all our employees are aware of their obligations in promoting an equal opportunities working environment.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution and objects

Money and Mental Health was registered as a charity with the Charity Commission for England and Wales on 12 April 2016. It is governed by its Constitution. It is a charitable incorporated organisation.

The principal object of the Institute is, for the public benefit, to advance understanding of mental health, financial capability and the relationship between the two; to achieve this objective including through research, discussion, innovation and the design and testing of new approaches, and by disseminating the useful results of these endeavours.

Appointment of Trustees and induction

Anyone who is a natural person and over the age of 16 can become a Trustee. There must be at least three Trustees and one of the Trustees at least must be over the age of 18. There is no maximum number of Trustees. New Trustees are selected by the Board of Trustees according to the skills, knowledge and experience needed for the effective administration of the Institute.

Induction support and a trustee information pack is provided for all new Trustees.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

Members' liability

Money and Mental Health had 9 Trustees as of 31 December 2019. They are the only persons eligible to be members of the Institute and their membership cannot be transferred to anyone else. If the Institute is wound up, its members have no liability to contribute to its assets and no personal responsibility for settling its debts and liabilities.

Members' responsibilities

The members are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom's Accounting Standards (UK GAAP). The Institute has opted to prepare its accounts using the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and follow the Charity SORP (FRS 102). As a charity registered in England and Wales, the charitable company also reports in accordance with the Charity Commission for England and Wales' guidance on public benefit and the Charities Act 2011.

Chair of the Board of Trustees

Martin Lewis OBE is the founder and the Chair of the Board of Trustees of the Institute. He founded the Money Saving Expert website in 2003 and is currently its Executive Chair. He is also an award-winning campaigning journalist, a TV and radio presenter, a newspaper columnist and author as well as a charity founder. To date, he has also been the main source of revenues of the Institute.

Organisational structure and decision making

The Board of Trustees is responsible for the overall governance and direction of the Institute. The Board meets quarterly. Trustees operate in a non-executive capacity and they are responsible for helping to preserve the Institute's independence and impartiality, notably by ensuring that no interest group is able to exert undue influence on the Institute's work.

Oversight of financial performance and operational controls as well as recommendations on remuneration have been delegated since 2019 to a Finance Committee chaired by the Treasurer.

Day to day operations of the Institute are delegated to the Chief Executive Officer and the senior management team.

A governance review is scheduled to take place in 2020.

Remuneration policy, related party and other transactions

Money and Mental Health is committed to ensuring that its staff members are paid fairly and in a way that ensures it attracts and retains the right skills to have the greatest impact in delivering its charitable objectives. In this context, all salaries are reviewed on an annual basis with the intention to offer each April an inflation-related increase to all employees (except interns) who have been at their current pay level for three months or more, subject to the Institute's financial health being robust. The Institute also has in place a work pension scheme relying on employer's and employees' pension contributions. The Trustees hereby confirm that no contractual relationship with a related party was to be reported. Furthermore, the Institute did not act as an agent or a custodian trustee during the reporting period and it did not hold any funds on behalf of other parties. Finally, the Trustees also confirm that there are no applicable exemptions from disclosure in this report.

Risk Management

It is the responsibility of the Trustees to monitor the risks posed to the ongoing viability of the Institute and its ability to fulfil its charitable objectives. All areas of risk (governance and compliance, operational, financial, environmental and external) have been identified and are set out in the Institute's risk register.

The Board of Trustees regularly assesses the major risks to which Money and Mental Health is exposed; the main ones identified for the current year are the risks associated with the Covid-19 situation, the resulting slow-down in revenue diversification (notably the ability of the Charity to develop the new Mental Health Accessible income stream) and its potential impact on the mental health and wellbeing of our staff. The Board is satisfied that systems and adequate levels of reserves are in place to mitigate the Institute's exposure to these major risks.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Money and Mental Health Policy Institute for the purposes of company law) are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution proposing that Watts Gregory be re-appointed as auditors of the Institute's accounts for the year to 31 December 2020 will be put to the Annual General Meeting on 15 June 2020.

Approved by order of the Board of Trustees on15 June 2020..... and signed on its behalf by:



.....
Martin Lewis – Chair of the Board of Trustees

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Opinion

We have audited the financial statements of Money and Mental Health Policy Institute (the 'charitable company') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The comparative financial statements are not audited.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
 - the financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of trustees' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit; or
 - the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.
-

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEY AND MENTAL HEALTH POLICY INSTITUTE

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Julia Mortimer (Senior Statutory Auditor)
for and on behalf of Watts Gregory LLP
Chartered Accountants & Statutory Auditors
Elfed House
Oak Tree Court
Cardiff Gate Business Park
CARDIFF
County of Cardiff
CF23 8RS

17 June 2020

MONEY AND MENTAL HEALTH POLICY INSTITUTE

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds as restated £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	546,300	228,500	774,800	524,910
Other trading activities	3	107,850	-	107,850	76,133
Investment income	4	<u>4,779</u>	<u>-</u>	<u>4,779</u>	<u>3,179</u>
Total		658,929	228,500	887,429	604,222
EXPENDITURE ON					
Charitable activities	5				
Trading		<u>549,879</u>	<u>2,515</u>	<u>552,394</u>	<u>553,834</u>
NET INCOME		109,050	225,985	335,035	50,388
RECONCILIATION OF FUNDS					
As previously reported		250,525	-	250,525	214,250
Prior year adjustment	11	<u>14,113</u>	<u>-</u>	<u>14,113</u>	<u>-</u>
As Restated		264,638	-	264,638	214,250
TOTAL FUNDS CARRIED FORWARD		<u>373,688</u>	<u>225,985</u>	<u>599,673</u>	<u>264,638</u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**BALANCE SHEET
AT 31 DECEMBER 2019**

	Note	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds as restated £
FIXED ASSETS					
Tangible assets	12	2,771	-	2,771	3,870
CURRENT ASSETS					
Debtors	13	31,355	-	31,355	16,513
Cash at bank		<u>396,280</u>	<u>225,985</u>	<u>622,265</u>	<u>269,702</u>
		427,635	225,985	653,620	286,215
CREDITORS					
Amounts falling due within one year	14	(56,718)	-	(56,718)	(25,447)
NET CURRENT ASSETS					
		<u>370,917</u>	<u>225,985</u>	<u>596,902</u>	<u>260,768</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>373,688</u>	<u>225,985</u>	<u>599,673</u>	<u>264,638</u>
NET ASSETS					
		<u>373,688</u>	<u>225,985</u>	<u>599,673</u>	<u>264,638</u>
FUNDS					
Unrestricted funds	16			373,688	264,638
Restricted funds				<u>225,985</u>	-
TOTAL FUNDS					
				<u>599,673</u>	<u>264,638</u>

These financial statements have been prepared in accordance with the provisions applicable to charitable companies subject to the small companies regime.

The financial statements were approved by the Board of Trustees on15 June 2020..... and were signed on its behalf by:


 Martin Lewis
 Chair of the Board of Trustees

MONEY AND MENTAL HEALTH POLICY INSTITUTE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Notes	£	as restated £
Cash flows from operating activities:			
Cash generated from operations	1	<u>349,207</u>	<u>52,322</u>
Net cash provided by (used in) operating activities		<u>349,207</u>	<u>52,322</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(1,423)	(1,825)
Interest received		<u>4,779</u>	<u>3,179</u>
Net cash provided by (used in) investing activities		<u>3,356</u>	<u>1,354</u>
Change in cash and cash equivalents in the reporting period		352,563	53,676
Cash and cash equivalents at the beginning of the reporting period		<u>269,702</u>	<u>216,026</u>
Cash and cash equivalents at the end of the reporting period		<u>622,265</u>	<u>269,702</u>

The notes form part of these financial statements

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018 as restated
	£	£
Net income for the reporting period (as per the statement of financial activities)	335,035	50,388
Adjustments for:		
Depreciation charges	2,339	2,674
Loss on disposal of fixed assets	183	464
Interest received	(4,779)	(3,179)
Increase in debtors	(14,843)	(2,274)
Increase in creditors	<u>31,272</u>	<u>4,249</u>
Net cash provided by (used in) operating activities	<u><u>349,207</u></u>	<u><u>52,322</u></u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank	269,702	352,563	622,265
	<u>269,702</u>	<u>352,563</u>	<u>622,265</u>
Total	<u><u>269,702</u></u>	<u><u>352,563</u></u>	<u><u>622,265</u></u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office equipment - straight line 25%
Computer equipment - straight line 33.33%

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over period of the lease

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

2. DONATIONS AND LEGACIES

	2019	2018
	£	as restated £
Gifts and donations	<u>774,800</u>	<u>524,910</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

3. OTHER TRADING ACTIVITIES

	2019	2018 as restated
	£	£
Contracts for Charitable activities	59,000	52,400
Consultancy services and other income	48,850	5,745
Grants	<u>-</u>	<u>17,988</u>
	<u>107,850</u>	<u>76,133</u>

4. INVESTMENT INCOME

	2019	2018 as restated
	£	£
Bank interest receivable	<u>4,779</u>	<u>3,179</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs	Governance costs	Totals
	£	£	£	£
Charitable activities	<u>477,374</u>	<u>67,225</u>	<u>7,795</u>	<u>552,394</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018 as restated
	£	£
Auditors' remuneration	6,150	-
Independent examination fees	-	6,600
Depreciation - owned assets	<u>2,339</u>	<u>2,674</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2019 nor for the year ended 31 December 2018.

Trustees' expenses

During the year one trustee (2018: one) was reimbursed £378 (2018: £310) for travel expenses.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

8. STAFF COSTS

	2019	2018 as restated
	£	£
Wages and salaries	359,609	336,347
Social security costs	34,988	32,286
Other pension costs	<u>19,007</u>	<u>17,032</u>
	<u>413,604</u>	<u>385,665</u>

The average monthly number of employees during the year was as follows:

2019	2018
<u>8</u>	<u>8</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019	2018
£60,001 - £70,000	-	1
£80,001 - £90,000	<u>1</u>	-
	<u>1</u>	<u>1</u>

In addition to this, pension contributions of £4,485 (2018: £3,325) were received by these employees.

The total key management personnel remuneration during the year was £242,364 (2018: £218,739)

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds as restated £
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	524,910	-	524,910
Other trading activities	58,145	17,988	76,133
Investment income	<u>3,179</u>	<u>-</u>	<u>3,179</u>
Total	586,234	17,988	604,222
EXPENDITURE ON			
Charitable activities			
Trading	<u>527,298</u>	<u>26,536</u>	<u>553,834</u>
Total	527,298	26,536	553,834
NET INCOME			
	58,936	(8,548)	50,388
Transfers between funds	<u>12,488</u>	<u>(12,488)</u>	-
Net movement in funds	71,424	(21,036)	50,388
RECONCILIATION OF FUNDS			
Total funds brought forward	193,214	21,036	214,250
TOTAL FUNDS CARRIED FORWARD	<u>264,638</u>	<u>-</u>	<u>264,638</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. PRIOR YEAR ADJUSTMENT

The prior year figures have been restated in accordance with the accounting policy for recognition of expenditure. The effect was to increase prepayments in the balance sheet, and increase reserves by £14,113.

11. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Totals £
COST			
At 1 January 2019	3,020	5,769	8,789
Additions	210	1,213	1,423
Disposals	<u>(238)</u>	<u>-</u>	<u>(238)</u>
At 31 December 2019	<u>2,992</u>	<u>6,982</u>	<u>9,974</u>
DEPRECIATION			
At 1 January 2019	1,259	3,660	4,919
Charge for year	754	1,585	2,339
Eliminated on disposal	<u>(55)</u>	<u>-</u>	<u>(55)</u>
At 31 December 2019	<u>1,958</u>	<u>5,245</u>	<u>7,203</u>
NET BOOK VALUE			
At 31 December 2019	<u>1,034</u>	<u>1,737</u>	<u>2,771</u>
At 31 December 2018	<u>1,761</u>	<u>2,109</u>	<u>3,870</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 as restated £
Trade debtors	18,500	2,400
Prepayments	<u>12,855</u>	<u>14,113</u>
	<u>31,355</u>	<u>16,513</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 as restated £
Trade debtors	882	920
Prepayments	<u>55,836</u>	<u>24,527</u>
	<u>56,718</u>	<u>25,447</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018 as restated
	£	£
Within one year	<u>17,927</u>	<u>17,406</u>

15. MOVEMENT IN FUNDS

	At 1/1/19 £	Prior year adjustment £	Net movement in funds £	Transfers between funds £	At 31/12/19 £
Unrestricted funds					
General fund	95,525	14,113	109,050	(125,000)	93,688
Contingency	105,000	-	-	33,000	138,000
Access Standards	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>92,000</u>	<u>142,000</u>
	250,525	14,113	109,050	-	373,688
Restricted funds					
Gambling Commission Work Programme	-	-	225,985	-	225,985
	<u>-</u>	<u>-</u>	<u>225,985</u>	<u>-</u>	<u>225,985</u>
TOTAL FUNDS	<u>250,525</u>	<u>14,113</u>	<u>335,035</u>	<u>-</u>	<u>599,673</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	658,929	(549,879)	109,050
Restricted funds			
Gambling Commission Work Programme	228,500	(2,515)	225,985
	<u>228,500</u>	<u>(2,515)</u>	<u>225,985</u>
TOTAL FUNDS	<u>887,429</u>	<u>(552,394)</u>	<u>335,035</u>

MONEY AND MENTAL HEALTH POLICY INSTITUTE

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2019

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	As restated At 1/1/18 £	Net movement in funds £	Transfers between funds £	As restated At 31/12/18 £
Unrestricted Funds				
General fund	110,214	58,936	(59,512)	109,638
Contingency	83,000	-	22,000	105,000
Access Standards	-	-	50,000	50,000
	193,214	58,936	12,488	264,638
Restricted Funds	21,036	(8,548)	(12,488)	-
TOTAL FUNDS	<u>214,250</u>	<u>50,388</u>	<u>-</u>	<u>264,638</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	586,234	(527,298)	58,936
Restricted funds	17,988	(26,536)	(8,548)
TOTAL FUNDS	<u>604,222</u>	<u>(553,834)</u>	<u>50,388</u>

In 2018, the institute received two restricted grants (£7,988 from the Barrow Cadbury Trust and £20,000 from the Inclusive Economy Partnership – driven by the Department for Digital, Culture, Media & Sport and the Cabinet Office – and Nesta) and returned the £10,000 grant received from National Illegal Money Lending Team (England) in 2017 – with consent of the grantor.

16. RELATED PARTY DISCLOSURES

During the year, donations totalling £531,601 (2018: £518,635) were received from the founder and Chair of the charity - Martin Lewis.

MONEY AND MENTAL HEALTH POLICY INSTITUTE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	£	as restated £
INCOME AND ENDOWMENTS		
Donations and legacies		
Gifts and donations	774,800	524,910
Other trading activities		
Contracts for Charitable activities	59,000	52,400
Consultancy services and other income	48,850	5,745
Grants	-	17,988
	<u>107,850</u>	<u>76,133</u>
Investment income		
Bank interest receivable	<u>4,779</u>	<u>3,179</u>
Total incoming resources	887,429	604,222
EXPENDITURE		
Charitable activities		
Wages (incl. Research Team)	329,103	310,523
Social security	31,961	29,724
Pensions	17,365	15,642
Staff training	2,432	4,479
Research	10,481	6,937
Events	5,158	4,535
Communications	6,467	4,585
Premises costs	40,823	41,176
Office costs	934	1,443
Hospitality	951	804
OOP expenses	2,196	772
Direct project costs – Access standards	29,503	17,739
Direct project costs – Recovery Space project	-	8,798
Direct project costs – Other projects	-	7,192
	<u>477,374</u>	<u>454,349</u>
Support costs		
Wages	30,506	25,824
Social security	3,027	2,562
Pensions	1,642	1,390
Insurance	1,350	790
Premises costs	2,838	2,675
Office costs	65	94
IT & Phone	19,140	18,833
Bank charges	299	246
Legal and professional fees	2,205	6,734
Accountancy	3,629	3,268
Loss on sale of tangible fixed assets	185	235
Deprn of office equipment	754	2,674
Computer equipment	<u>1,585</u>	<u>-</u>
	67,225	65,325

This page does not form part of the statutory financial statements

